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A Professional Corporation
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BEFORE THE
FEDERAL COMMUNICATION COMMISSION
WASHINGTON, D.C. 20554

In the matter of)	CC DOCKET NUMBER 02-6
)	
Request for Review by of the Decision of the)	NOTICE OF LODGMENT IN
Universal Service Administrator by)	SUPPORT OF SCHOOLS FOR
)	INTERGRADED ACADEMICS AND
)	TECHNOLOGIES & NEW CORP
)	REQUEST FOR REVIEW OF USAC'S
SIATech)	DENIAL OF E-RATE FUNDING
NEWCorp Charter Schools)	
Oceanside, California)	
)	
Service Provider: Trillion Partners, Inc.)	
)	
Schools and Libraries Universal Service)	
Support Mechanism)	

FRN SIATech Number: 1877489; 1971060; 1908360; 1483818; 1619254; 1757276;
1756542; 1483818;

FRN NEWCorp Number: 1618918; 1618542; 1618798; 1758214; 1758290;
1758160; 1905905; 1905998; 1907658; 1907687;
1907614; 1905746; 184051; 1983953; 1970863;
1970898; 1970878; 1984041; 1486990; 1485668;
1487203; 1486706

Form 471 Application No. 728534; 728420; 733636; 694690; 686078; 695002; 694279
686078; 584060; 635031; 635283; 536126; 537176; 537090;
537265; 536824;

SPIN 143025872

Billed Entity FCC RN: 0013384730; 0013384789
Billed Entity Number: 16020467; 228867

PLEASE TAKE NOTICE THAT SIATECH hereby lodges true and correct copies of the exhibits in support of their Brief:

Exhibit A Trillion Contract
Exhibit B June 12, 2009 USAC letter to Applicants
Exhibit C June 25, 2009 SIATech response to USAC
Exhibit D June 3, 2010 USAC Letter to NEWCorp
Exhibit E June 4, 2010 USAC Letter to SIATech
Exhibit F July 28, 2010 Applicants Response to USAC
Exhibit G September 9, 2010 USAC Letter to Applicants
Exhibit H September 15, 2010 USAC Letter to SIATech
Exhibit I September 28, 2010 SIATech response to USAC Letter
Exhibit J October 12, 2010 USAC letters to Applicants
Exhibit K October 20, 2010 USAC letters to Applicants
Exhibit L October 21, 2010 USAC letters to Applicants
Exhibit M October 25, 2010 USAC letters to Applicants
Exhibit N November 5, 2010 USAC letters to NEWCorp
Exhibit O KPMG Audit Report, December 2, 2009
Exhibit P March 10, 2010 USAC Management Response Letter
Exhibit Q January 19, 2006 e-mail from Trillion to SIATech
Exhibit R January 8, 2008 e-mails from Trillion to SIATech
Exhibit S California Form 700

Dated: December 9, 2010

STUTZ ARTIANO SHINOFF & HOLTZ

A Professional Corporation

By:



Daniel R. Shinoff
Arthur M. Palkowitz
Patrice M. Coady
Ryan L. Church

EXHIBIT A

EXHIBIT A

TRILLION PARTNERS, INC.
SERVICES AGREEMENT



Contract No.: W-SA-010808-000959-5yr

This Services Agreement ("Agreement") is made by Trillion Partners, Inc. ("Trillion") and Customer effective on the Effective Date indicated below. In consideration of the mutual promises and covenants contained herein the receipt and sufficiency of which are acknowledged, the parties represent, warrant, covenant, and agree as follows:

1. DEFINITIONS.

- 1.1 **"Commencement Date"** means the date that Service commences as indicated in writing by the Acceptance Certificate, attached hereto as Exhibit A, signed by Customer and Trillion.
- 1.2 **"Common Carrier"** means an entity designated by the Universal Service Administrative Company as an "eligible telecommunications carrier," or "eligible telecommunications provider," or "ETP."
- 1.3 **"Customer Demarcation Point"** means the physical location at which Trillion terminates its equipment and makes the Services available for use by the Customer (also known as a "Demarc").
- 1.4 **"Effective Date"** means the date this Agreement becomes a binding and enforceable agreement as indicated below and which is acknowledged as such by Trillion and Customer by placing their signature on this Agreement.
- 1.5 **"Equipment"** means all of the hardware and software used by Trillion, in its sole discretion, to enable the provision of Services to Customer and communications services to third parties.
- 1.6 **"E-Rate Program"** means the Universal Service Fund for Schools and Libraries established by the Federal Communications Commission, and administered by the Schools and Libraries Division of the Universal Service Administrative Company, or any successor funding program ("Schools and Libraries Division").
- 1.7 **"Product Addendum"** means the fully executed description of specific Services subject to this Services Agreement, which is not otherwise terminated or expressly replaced by a subsequent written agreement between the parties.
- 1.8 **"Term"** means the period beginning on the date of acceptance as indicated in writing on the Certificate of Acceptance and continuing for a period of five (5) years thereafter, unless otherwise listed in an applicable Product Addendum or an amendment to the Agreement, unless extended pursuant to Section 7.2 (a), or sooner terminated as provided herein.
- 1.9 **"Service Location(s)"** means the location(s) specified in each Product Addendum at which the Trillion service is delivered to a single Customer Demarcation Point for each listed site.
- 1.10 **"Services"** means Trillion's services described in each Product Addendum.
- 1.11 **"Service Outage"** means loss of service other than any outage that: a) is not reported by Customer to Trillion within (5) days of the occurrence; b) is less than (15) minutes in duration; c) is attributable to Trillion's scheduled maintenance; d) is attributed to related third party circuits (whether ordered by Trillion or Customer); e) is a result of inability to access customer premise; f) is a result of Customer's equipment or users; or g) is due to Force Majeure (see Section 8 below) or by any other cause not within the control of Trillion.
- 1.12 **"Site Access"** means 24 hour a day, 365 day a year access to Customer's premise provided to Trillion in order to restore service or perform preventative maintenance.
- 1.13 **"Total Service Charge - All Sites"** means the total service charge for all sites (sometimes referred to as the "pre-discount amount") listed in each Product Addendum before any discounts are applied.

2. DESCRIPTION OF SERVICES.

- 2.1 **Provision of Services; License.** Trillion will provide the Services as described in each Product Addendum. Customer grants to Trillion an exclusive, non-revocable license ("License") to use those parcels of real property at the Service Locations that Trillion deems necessary to install, operate and maintain certain poles and antennas thereon and to place certain buildings or enclosures thereon and such other equipment as Trillion determines may be necessary or compatible with the conduct of Trillion's business. Notwithstanding any other provision of this Agreement, it is expressly understood that all rights granted to Trillion under this License are continuous, ongoing, and irrevocable by Customer after the expiration or earlier termination of this Agreement, any Amendment thereto, or the provision of the Services, for a period of ten years after such expiration or earlier termination. Trillion is authorized to use the Equipment and real property for any activity in connection with the provision of other communications services as Trillion determines may be necessary or compatible with the conduct of Trillion's business. Trillion may make any substitutions to or modifications of the Equipment as it determines may be necessary or compatible with the conduct of Trillion's business. In addition, Customer grants to Trillion a non-exclusive right to install transmission cables and lines between the Equipment and between the Service Locations in connection with Trillion's use, maintenance, and operation of the Equipment.

2.2 Installation.

- (a) **Installation of Equipment.** In the event any equipment (or any portion of the Equipment) is or becomes physically attached in any manner to real estate at the Service Location (including any building on such real estate), in no event will the Equipment be deemed to be affixed to or a part of such real estate. Rather, the Equipment is and will remain Trillion's personal property. At the request of Trillion, Customer will furnish a landlord or mortgage waiver with respect to the Equipment from any person claiming an interest in any personal or real property where the Equipment is located. As a common carrier, Trillion may utilize the Trillion owned equipment to serve other customers.
- (b) **Use of Subcontractors.** Customer acknowledges that Trillion may provide the Services using subcontractors, and that Trillion reserves the right to substitute such subcontractors with others, in its own discretion, to maintain or enhance maintenance performance hereunder.

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3. CUSTOMER OBLIGATIONS.

- 3.1 Troubleshooting & Repair.** Trillion typically validates network access from the building interface to the Main Distribution Frame ("MDF") within the building. The Customer is responsible for the Local Area Network ("LAN") connectivity, DHCP, Internal DNS, and routing.
- (a) The Customer must provide local LAN IP routing and Ethernet for the service connection.
 - (b) The Customer is responsible for service and repair of all LAN equipment and district owned fiber that is being utilized for service. (e.g., each fiber, switch, hub, bridge, etc.) that connects to the Trillion network.
- 3.2 Access to the Services and Equipment.** Customer agrees to monitor the use of the Services to prevent inappropriate use as well as unauthorized access to offensive or restricted sites, and to maintain and prevent unauthorized access to confidential information, including the confidentiality of any passwords and account information required for access to Services. Customer will promptly notify Trillion of any unauthorized or inappropriate use of the Services, including the Equipment, breach of security, or other damage, loss or theft. For the Customer Demarcation Point, Trillion will provide a single device or fiber-based interface to make the connection to the Customer's equipment. Customer is responsible for all internal LAN routing. Customer is not authorized to have any physical contact with the Equipment except and only to the limited extent directed by Trillion. At the end of the license described in Section 2.1, Customer may, at Customer's option, either pay Trillion's reasonable expenses to remove the Equipment or allow Trillion to keep the Equipment in place at no charge and under terms and conditions acceptable to Trillion.
- 3.3 Lawful Use.** Customer agrees: (a) that Services may be used by those entities listed in each Product Addendum as being eligible to participate with Customer in obtaining the Services; (b) not to provide the Services to non-eligible third parties whether by lease, rental, transfer, assignment, sale, sublicense, or any other means, including commercial time-sharing, rental, or service bureau use; (c) not to use the Services for any purpose that is unlawful, not contemplated or prohibited by this Agreement; and (d) to abide by all applicable local, state, and national laws and regulations, including but not limited to those related to the environment and the E-Rate Program.
- 3.4 Acceptance and Invoicing.** Customer agrees to promptly sign the Certificate of Acceptance when Customer and Trillion determine that Trillion has completed its work. If Customer fails or refuses to timely sign and return such Certificate of Acceptance, Trillion reserves the right to send written notification of the commencement of service and an invoice for Services, and, notwithstanding Section 1.1 above, such stated date of commencement of service shall become the Commencement Date. Customer agrees to pay invoices as of the Commencement Date. Initial invoices will be sent upon execution of such Certificate of Acceptance or on the date such written notice from Trillion is sent, whichever is earlier.
- 3.5 Alterations and Improvements.**
- (a) Customer will not make any alterations, additions, or improvements to the Equipment, or remove Equipment from a Service Location without Trillion's prior written consent. If Customer commits any act or omission, or plans to commit any act or omission, which may cause material harm to Trillion's network, Customer agrees to compensate Trillion for such harm. If Trillion determines such harm requires the moving of a tower, fiber line, or other Equipment, Customer will compensate Trillion for such harm by paying to Trillion the cost of such move upon written invoice from Trillion. Customer shall not be responsible for the cost of moving such Equipment if the Equipment must be moved solely due to reasons reasonably within Trillion's control.
 - (b) Customer is responsible for locating pre-existing facilities of other providers, such as utilities and underground facilities, including the cost for such locating, in addition to those listed in each Product Addendum.

4. FEES AND PAYMENT TERMS.

4.1 Fee Payments.

- (a) **Non-Recurring Charge:** Upon execution of this Agreement, Trillion will invoice Customer a Non-Recurring Charge if specified in each Product Addendum.
- (b) **Service Fee:** Customer shall pay Trillion the Total Annual Service Charge - All Sites - After E-Rate listed in the Description of Services on an annual basis within thirty (30) days of the receipt of an invoice for such amount each year during the Term. ~~Customer shall also pay Trillion the Total Annual Service Charge - All Sites - Before E-Rate upon invoice from Trillion. Customer must file a correctly completed form with the Schools and Libraries Division with each invoice after the date of issuance of funding. Completion of such form is a condition of payment of the invoice for the Service Fee. Failure to complete such form shall obligate Customer to pay in full the Total Annual Service Charge - All Sites - Before E-Rate amount within ten (10) days of receipt of an invoice from Trillion.~~

- 4.2 Change Orders:** Customer will be responsible for the cost of moving a tower, site or Equipment if Trillion determines that such move is necessitated by the actions of Customer and result in additional charges to Trillion. A Trillion Change Order Form shall be properly completed by Customer and submitted to Trillion to modify, reduce, or increase the equipment or services to be provided. Such Change Order Form shall be deemed a part of this Agreement if signed by both parties. Unless specified in the Change Order Form, this Agreement shall continue in full force and effect in all respects.
- 4.3 Payment Terms:** All fees due under this Agreement will be paid in U.S. dollars within thirty (30) days after the date of Trillion's invoice, by a check sent to Trillion. Any overdue payments will bear a late payment fee of one and a half percent (1.5%) per month or the highest rate permitted by law, whichever is lower, from the original payable date until paid. Work performed which is outside the scope of this agreement, or is the subject of a Change Order, will be billed at Trillion's cost with a standard 20% markup.
- 4.4 Taxes:** Customer agrees to pay all taxes, including sales, use, withholding, transaction privilege, and other similar federal, state or local taxes, excluding income based taxes, (collectively referred to as "Taxes"), as applicable to the Customer in connection

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with the Services provided under this Agreement, unless the transaction is specifically exempted under applicable state law. If Customer claims such an exemption, Customer must provide to Trillion documentation which Trillion determines is sufficient evidence of such exemption, (e.g., an exemption certificate), within thirty (30) days of the Effective Date. To the extent a state law authorizes Trillion to pass a tax on to Customer, Customer agrees to pay such tax. Customer further agrees to keep the Equipment free and clear of all levies, liens, taxes and encumbrances. If Customer fails to pay any such Taxes or like charges when due, Trillion reserves the right to make such payments or like charges, together with all penalties and interest which may have been added because of Customer's delinquency or default, and Customer agrees to promptly reimburse Trillion for all amounts so paid.

- 4.5 **Lawful Payments.** Notwithstanding any provision to the contrary contained in this Agreement, it is understood and agreed that the payments to be made in each fiscal year during the Term hereof are payable only out of current designated and lawfully appropriated funds of Customer for that fiscal year.
- 4.6 **Extensions and Upgrades.** The parties agree that extensions to the term of this Agreement are expressly authorized and shall not require a new bid. The parties agree that upgrades, improvements, additional sites, and enhancements to the Services are expressly authorized and any amendment hereto to effectuate such upgrades, improvements, additional sites, and enhancements shall not require a new bid as long as the amendment reasonably relates to the Services. Any amendment hereto shall be in writing signed by both parties. The parties agree and understand that the Services are being provided at a significant volume discount. In the event Customer reduces in writing the total number of sites listed in any Product Addendum hereto, the amount that Customer shall pay Trillion for the remaining sites shall increase by four percent (4%) for each site being reduced, beginning at the time Service to such site or sites is ended, as calculated and invoiced by Trillion.

5. WARRANTY.

5.1 By Trillion.

- (a) Trillion warrants that it will use commercially reasonable efforts to make the Services available to Customer in accordance with generally accepted standards in the unlicensed spectrum wireless industry. For additional information on this, please see attached Service Level Agreement. This warranty will apply solely to access to the Services, and will not apply to anything (1) caused by factors outside of Trillion's reasonable control; (2) that resulted from any action or inaction of Customer or any third party; (3) that resulted from scheduled maintenance or required repairs; or (4) that resulted from equipment, software or any item not provided by Trillion. All consequences for a breach of this warranty by Trillion are strictly limited to those defined in the attached Service Level Agreement.
- (b) **NO OTHER WARRANTY.** EXCEPT FOR THE EXPRESS WARRANTY SET FORTH IN SECTION 5.1(a), TRILLION PROVIDES SERVICES ON AN "AS IS" AND "AS AVAILABLE" BASIS, AND CUSTOMER'S USE OF THE SERVICES IS AT ITS OWN RISK. TRILLION DOES NOT MAKE, AND HEREBY DISCLAIMS, ANY AND ALL OTHER EXPRESS AND IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT AND TITLE, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE. TRILLION DOES NOT WARRANT THAT THE OPERATION OF THE SERVICES WILL BE UNINTERRUPTED, ERROR-FREE OR COMPLETELY SECURE, OR THAT DEFECTS IN THE OPERATION OF THE SERVICES WILL BE CORRECTED. THE PARTIES AGREE THAT ALL CONSEQUENCES FOR A BREACH OF WARRANTY BY TRILLION ARE STRICTLY LIMITED TO THOSE DESCRIBED IN THE ATTACHED SERVICE LEVEL AGREEMENT.

5.2 By Customer.

- (a) Customer represents, covenants and warrants that (1) Customer is a fully constituted political subdivision, agency or public corporation of the state in which it is located; (2) the execution, delivery, and performance by Customer of this Agreement have been duly authorized by all necessary action on the part of Customer; (3) this Agreement has been executed on behalf of Customer by persons who constitute duly authorized officers thereof; (4) this Agreement constitutes the legal, valid, and binding obligation of Customer enforceable in accordance with its terms; (5) Customer has complied with all public bidding, notice and hearing requirements where necessary, and by due notification presented this Agreement for approval and adoption as a valid obligation on its part; (6) Customer reasonably believes that funds can be obtained sufficient to make all payments during the Term. The officer of Customer responsible for budget preparation will do all things lawfully within his/her power to obtain, maintain and properly request and pursue funds from which the payments may be made, including making provisions for such payments to the extent necessary in each budget submitted for the purpose of obtaining funding, using his/her bona fide best efforts to have such portion of the budget approved and exhausting all available administrative reviews and appeals in the event such portion of the budget is not approved. Customer shall give Trillion immediate notice of Customer's intent to terminate this Agreement which shall be the end of the last of Customer's fiscal years for which appropriations for the payments were made; (7) Customer has obtained all services from its local exchange telephone service provider (other than Trillion) to ensure it has full access to 911 services; and (8) Customer will provide the required level of electricity to each facility provided by Trillion which requires electricity.
- (b) Customer shall not engage in any activity or construct any new structure, which may interfere mechanically, electrically, or operationally with the Equipment.
- (c) Because Trillion must obtain certain permits, licenses, or waivers to perform the Services and Customer would be the necessary applicant for such, Customer grants limited authority to Trillion to act as Customer's agent for the sole purpose of obtaining all permits and licenses, or waivers thereof, which are necessary for Trillion to perform under this Agreement. To the extent such grant of authority is invalid or inconsistent with applicable law, or to the extent Trillion is unable to obtain such permits, licenses, or waivers, Customer warrants that it has obtained or waived, or will obtain or waive in a timely manner, all permits, and licenses applicable to the Services. Customer warrants it has obtained all applicable permits and approvals applicable to the intended use of the land regarding any requisite environmental impact studies, historical landmark studies, endangered species impact

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studies, Americans with disabilities act impact studies, etc. Customer expressly warrants that it will not directly or indirectly obstruct, hinder, or cause the delay, denial, or modification of any regulatory approval, license, or repeater site acquisition which Trillion determines is required for the Services so that the Services are, in Trillion's sole determination, incapable of being provided as agreed herein.

- (d) Customer shall promptly deliver to Trillion copies of any and all correspondence, notices, and forms received from Schools and Libraries Division relating to requests for information in a Program Integrity Assurance Review, a Selective Review, a Site Visit, an Appeal, or similar requests that apply to Trillion's Services no later than three (3) days after Customer received such document. Customer shall use its best efforts to obtain and maintain E-rate funding for the benefit of Customer throughout the Term. Should the Schools and Libraries Division decline funding for Customer for a particular E-rate year (July 1 through June 30) due to procedural deficiencies or reasons, Customer covenants and agrees to use best efforts to remedy such denial and correctly file for E-rate funding for the next E-rate year for the benefit of Customer.
- (e) Customer acknowledges that Trillion is not responsible for the satisfactory performance, or lack thereof, of any third party content filtering. Customer further acknowledges that it (and not Trillion) is responsible for establishing, implementing, and/or utilizing any and all practices and procedures, rules, and other methods necessary to prevent any (i) unauthorized use of the Equipment by any person, and (ii) any access by Customer (and its students, employees, agents and contractors) at the Service Locations or by means of the Equipment to web sites, web pages, emails, or email attachments that may be inappropriate.
- (f) Failure of Customer to meet a listed obligation in an agreed Statement of Work or adequately remove a listed condition precedent to Trillion's performance shall be considered a material breach of this Agreement and shall relieve Trillion of its obligations hereunder, but shall not relieve Customer of its obligation to timely pay upon invoice. Customer must provide a safe, secure, and adequately prepared area for Trillion's work, including but without limitation, staging, installation, and storage.
- (g) Customer shall promptly execute and return to Trillion all documents acceptable to Trillion including but without limitation, the following:
 - (i.) a certified Board Resolution authorizing the negotiation, execution and delivery of this Agreement;
 - (ii.) an Opinion of Customer's Counsel stating that: Customer is authorized and has power under State law to enter into this Agreement; that the authorization, approval and execution of this Agreement have been performed in accordance with all open meeting laws, public bidding and all other applicable State and Federal laws; and that the opinion may be relied upon by Trillion Partners, Inc. and its successors and assignees;
 - (iii.) a Certificate of Incumbency signed by the Clerk, Secretary of the Board, or Board Member certifying that the person signing this Agreement is a duly elected or appointed officer of the Customer (not the same person who signed the Agreement or Product Addendum);
 - (iv.) Prior three (3) audited financial statements.

6. LIMITATION OF LIABILITY AND REMEDY.

- 6.1 IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER WITH RESPECT TO ITS OBLIGATIONS UNDER THIS AGREEMENT OR OTHERWISE UNDER ANY THEORY, INCLUDING CONTRACT AND TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) FOR ANY INDIRECT, SPECIAL OR INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES, INCLUDING, BUT NOT LIMITED TO, COSTS OF PROCUREMENT OF SUBSTITUTE GOODS AND SERVICES, DAMAGES FOR LOSS OF DATA, LOSS OF USE OF COMPUTER HARDWARE, DOWNTIME, LOSS OF GOODWILL, LOSS OF BUSINESS, OR COMPUTER HARDWARE MALFUNCTION, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT WILL TRILLION'S LIABILITY TO CUSTOMER UNDER ANY PROVISION OF THIS AGREEMENT EXCEED THE TOTAL AMOUNTS PAID BY CUSTOMER TO TRILLION FOR THE PARTICULAR SERVICE WHICH IS THE SUBJECT OF THE CLAIM IN THE TWELVE (12) MONTHS PRECEDING THE IMPOSITION OF SUCH LIABILITY. THE PARTIES ACKNOWLEDGE THAT THE OTHER PARTS OF THIS AGREEMENT RELY UPON INCLUSION OF THIS SECTION. Some jurisdictions do not allow the limitation or exclusion of liability for incidental or consequential damages. Accordingly, the limitations listed in this Section 6.1 fully apply only to the extent permitted by law.

6.2 Internet Disclaimer.

- (a) Trillion does not and cannot control the flow of data to or from Customer's network and other portions of the Internet. Such flow depends in large part on the performance of Internet services provided or controlled by third parties. At times, actions or inactions of such third parties can impair or disrupt Customer's connections to the Internet (or portions thereof). Trillion agrees to use commercially reasonable efforts to take actions it deems appropriate to remedy and avoid such events. However, Trillion cannot guarantee that such events will not occur or that Trillion will be able to remedy all of them. Accordingly, Trillion disclaims any and all liability resulting from or related to such events.
- (b) Prior to the execution of an Acceptance Certificate for a Product Addendum which includes Internet Service, if Trillion incurs additional nonrecurring charges, including but without limitation, Construction charges, Extended Wiring charges, or wholesale provider non-recurring charges, for Internet Service, Trillion reserves the right to charge Customer an amount equal to such charges. Upon receipt of notice of such increased charges from Trillion, the Customer shall, within thirty (30) days of the date such notice is sent, either 1) pay the additional charges, and the Product Addendum shall be amended by a fully executed Change Order reflecting this non-recurring charge, 2) provide written notice to Trillion that Customer wishes to terminate the Product Addendum strictly as to the Internet Service and not as to any other aspect of the Product Addendum or this Agreement, or 3) accept an alternate bandwidth option, if offered by Trillion, at an agreed rate and bandwidth, under a fully executed Change Order.

- 6.3 **INDEMNITY.** Each party agrees to hold the other, including its officers, directors, shareholders, representatives, affiliates, employees, and assignees free and harmless from, and fully and completely indemnify each of them from and against, any

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obligations, costs, claims, judgments, reasonable attorneys' fees, and attachments to the extent arising out of any action of the party or failure of the party to act under this Agreement, except to the extent arising from the negligent, reckless or willful misconduct of the other or its agents as determined by a court of competent jurisdiction.

- 6.4 **BINDING ARBITRATION.** All controversies, disputes, or claims between the parties or any of their respective officers, directors, agents, employees and attorneys, arising from or relating to this Agreement shall on demand of either party be submitted for arbitration to the American Arbitration Association ("AAA"). The arbitration shall be governed exclusively by the United States Arbitration Act (9 U.S.C. § 1, et seq.), without reference to any state arbitration statutes. The parties agree that, in connection with any such arbitration proceeding, each shall submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedures) within the same proceeding as the claim to which it relates. Any such claim, which is not submitted or filed in such proceeding, shall be barred. The arbitration proceedings shall be conducted in Austin, Texas and shall be conducted in accordance with the commercial arbitration rules of the AAA in effect on the date of this Agreement, except as modified by this Agreement. Three arbitrators shall be used. Each party shall have the right to select one arbitrator from a panel provided by the AAA and those two arbitrators will then select a third arbitrator, also from the AAA panel. The parties shall be entitled to limited discovery at the discretion of the arbitrators who may, but are not required to, allow depositions. The parties acknowledge that the arbitrators' subpoena power is not subject to geographic limitations. The arbitration proceedings shall be conducted on a non-adversarial basis and no party shall be entitled to a trial by jury. The arbitration proceedings shall be conducted on a confidential basis and no party shall be entitled to a trial by jury. The arbitration proceedings shall be conducted on a confidential basis and no party shall be entitled to a trial by jury.

The award and decision of the arbitrators shall be conclusive and binding on all parties, and judgment upon the award may be entered in any court of competent jurisdiction. Any right to contest the validity or enforceability of the award shall be governed exclusively by the United States Arbitration Act. The provisions of this Section 6.4 shall continue in full force and effect subsequent to and notwithstanding expiration or termination of this Agreement.

- 6.5 **EACH OF THE PARTIES EXPRESSLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL OR COURT ACTION COMMENCED BY ANY OF THE PARTIES TO ENFORCE, COLLECT, DEFEND, ENJOIN, OR THAT OTHERWISE RELATES TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS HEREIN CONTEMPLATED OR DESCRIBED. LIKEWISE, EACH PARTY WAIVES ANY RIGHT TO HAVE A JURY TRIAL IN ANY SUCH LEGAL OR COURT ACTION FOR ANY DEFENSE, CLAIM OF SET-OFF, CLAIM OF RECoupMENT, COUNTERCLAIM OR THIRD PARTY ACTION ASSERTED OR RAISED IN ANY SUCH LEGAL OR COURT ACTION. ANY LEGAL OR COURT ACTION RELATING TO THIS AGREEMENT OR THE TRANSACTIONS HEREIN CONTEMPLATED OR DESCRIBED SHALL BE TRIED EXCLUSIVELY BEFORE A COURT WITHOUT A JURY. CUSTOMER AND TRILLION SPECIFICALLY ACKNOWLEDGE THAT THEIR EXECUTION OF THIS WAIVER OF JURY TRIAL IS A MATERIAL INDUCEMENT FOR THEIR ENTERING INTO THIS AGREEMENT.**

7. **TERMINATION; RENEWAL.**

7.1 **Termination for Cause.**

- (a) **By Trillion.** During the term of this agreement, if Customer fails to substantially comply with the terms of this Agreement, if Customer violates one of its warranties, or if the assumptions and contingencies stated herein are not met as determined by Trillion, Trillion may terminate this Agreement without liability to Customer by providing Customer with ninety (90) days prior written notice that describes the reason for termination. In the event that Customer commences to cure and diligently pursues cure, any attempted termination by Trillion shall be void and of no force and effect. Customer may provide written notice of such cure efforts. Notwithstanding any provision of this Agreement, Customer must timely pay for Services rendered.
- (b) **By Customer.**
- (i.) If Trillion fails to substantially provide the Services as warranted, Customer may terminate this Agreement without liability to Trillion for any future payments by providing Trillion with ninety (90) days prior written notice that describes the breach. In the event that Trillion commences to cure and diligently pursues cure, any attempted termination by Customer shall be void and of no force and effect. Trillion may provide written notice of such cure efforts.
- (ii.) If the E-Rate Program is terminated in its entirety, Customer may either negotiate in good faith with Trillion to extend the term of the Agreement with appropriate terms, or Trillion may, in its sole discretion, authorize Customer in writing to terminate this Agreement effective at the end of the then current fiscal year.
- (iii.) Trillion reserves the right to report any such early termination or default to all credit or bond rating entities, and pursue all rights and remedies at law or in equity. Such termination shall not affect or reduce the term of the License described in Section 2.1 of this Agreement.

7.2 **Renewal; Effects of Termination.**

- (a) **Renewal.** The Term of this Agreement is automatically extended on a month to month basis at Trillion's adjusted month to month pricing unless either party provides written notice of termination to the other party at least one hundred eighty (180) days prior to such termination, or Customer provides written notice of an automatic renewal.
- (b) **Non-Appropriation; Duty to Present to Board.** Notwithstanding any other provision of this Agreement, Customer agrees that it may not terminate this Agreement to the extent any funds are proposed in the budget of the Customer for the Services, for the fiscal period in which such termination occurs, or the next succeeding fiscal period thereafter. The officer of Customer who is responsible for financial matters of Customer shall include a request for appropriations to the governing body of Customer for full payment under this Agreement each year during the Term.
- (c) **Common Carrier Rights Unaffected.** Upon any termination, Trillion is expressly authorized to enter upon the premises of the Service Location where the Equipment is located, and take immediate possession of and remove such electronic Equipment. Alternatively, Trillion may, in its sole discretion, opt to leave the Equipment at the Service Location so that it may continue to

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provide services to others. In such event, Trillion is expressly permitted to continue to install and maintain the Equipment as set forth in Section 2.1. In such instance, Customer is obligated to provide ongoing power and access to facilities and Trillion agrees to pay the reasonable pro-rata share of Customer's actual power cost plus 20% on an annual arrears basis.

- (d) **Termination by Customer.** The parties acknowledge that Trillion will have invested a large amount of capital to create the network used to provide the Services and that it requires the duration of the Term for Trillion to recover that amount in payments from the Customer. In the event Customer terminates this Agreement prior to the end of the Term, the parties agree and understand that Customer shall pay Trillion an amount equal to Trillion's non-depreciated fully loaded capital costs to install the Equipment used to provide the Services, Trillion's costs to remove all such Equipment and restore the property to a reasonable condition, wear and tear excepted, all operating expenses Trillion incurred to provide the Services, and Trillion's costs to redeploy the Equipment. Such payments shall be paid to Trillion within thirty (30) days after such termination. Such termination and payment of fees shall not affect or reduce the term of the license described in Sections 2.1 and 3.2. Nothing in this Section shall be construed in a manner that would violate local, state, or federal law or regulation and this Section or any portion thereof shall be expressly severable from this Agreement in such event.

8. GENERAL PROVISIONS.

- 8.1 **Governing Law and Jurisdiction.** This Agreement will be exclusively governed and construed in accordance with the laws of the State in which Customer's main headquarters is located. The parties also agree that regardless of any statute or law to the contrary, any claim or cause of action arising out of or related to this Agreement shall be brought within one (1) year after such claim or cause of action accrues. The prevailing party will be entitled to recover its reasonable attorney fees and costs from the other party.
- 8.2 **Use of Customer's Name.** Trillion may use Customer's name as a customer, including a general description of the services provided to Customer by Trillion, in its resumes, client lists, case studies, and in other promotional information including, but not limited to, press releases, brochures, reports, letters, white papers and electronic media such as e-mail or Web pages.
- 8.3 **No Agency; Assignment.** Except as expressly provided in Section 5.2(c) of this Agreement, nothing in this Agreement is intended, or should be construed, to create a partnership, agency, joint venture, or employment relationship between Customer and Trillion. Each party is an independent contractor for the other party. Customer may not assign or sublicense the rights granted under this Agreement. Trillion may assign and reassign in whole or in part, its rights, title and interests, but not its obligations, under this Agreement, including the right to receive Customer's payments hereunder, to one or more assignees at any time subsequent to its execution, without the necessity of obtaining the consent of the Customer. Customer agrees to acknowledge any such assignment and to make all payments to the assignee designated in such assignment until such assignee shall advise Customer otherwise. Customer acknowledges that Trillion's assignee shall have the right to cure any Trillion default, and to otherwise provide the Services hereunder.
- 8.4 **Force Majeure.** A party is not liable for non-performance to the extent to which the non-performance is caused by an event that is not within the reasonable control of the affected party, including, without limitation, war, riots, civil insurrection or acts of a common enemy, fire, flood, strikes or other labor difficulty, acts of civil or military authority, including governmental laws, orders, actions, inactions or regulations, embargo, and the party gives reasonably prompt notice to the other party and makes all reasonable efforts to perform. In no event will this provision affect Customer's obligation to make timely payments for Services rendered, whether used or not, under this Agreement.
- 8.5 **Assumptions and Contingencies.**
- (a) Trillion is relieved of its obligation to provide the Services if certain preconditions to installation which are outside the control of Trillion do not occur. Examples of such preconditions include the issuance of all applicable permits and other regulatory approvals under terms and conditions acceptable to Trillion, and the acquisition of any necessary repeater sites from third parties under terms and conditions acceptable to Trillion. If such preconditions do not occur, Trillion will either renegotiate with the Customer or offer to terminate this Agreement with no termination penalties for either party. Additional assumptions included in this subsection 8.5 (a) may be listed in a Product Addendum.
- (b) Trillion's obligations to perform under this Agreement are based and contingent on, among other things, the engineering assumptions that:
- (i.) Trillion will be able to obtain the necessary permits, repeater sites required for line of site RF transmission and ground rights necessary to provide the proposed service.
 - (ii.) Customer will provide necessary ground rights at a location suitable for both customer and Trillion that provide proper line of site and serviceability of the equipment.
 - (iii.) The Customer will provide electricity to the specified location in an amount which Trillion indicates is necessary to deliver Trillion Service
 - (iv.) Trillion will be able to acquire the licensed frequencies required for any designated licensed spectrum necessary to deliver service.
 - (v.) The Customer will be providing all internal (local area network) layer 3 routing equipment, service, and support.
 - (vi.) To the extent line of site is required between two or more given sites, there is no obstruction between the sites which occurs after this Agreement is signed but before acceptance.
 - (vii.) If the Services include Trillion VoIP, the Wide Area Network must either be provided by Trillion or be approved by Trillion that it meets Trillion's minimum standards for VoIP.
 - (viii.) Trillion's wholesale provider of Internet Services must agree to provide services that Trillion determines are necessary for Internet Service to Customer, if any, at terms and conditions acceptable to Trillion.

A-b

TRILLION PARTNERS, INC.
SERVICES AGREEMENT



Contract No.: W-SA-010808-000959-5yr

- (c) **Non-Public Works Projects Only:** Because the Customer has not declared this to be a "public works project," the prices listed do not include costs associated with paying prevailing wages. This is an agreement to allow Trillion to perform necessary work to provide its services only and is not an agreement for the construction, reconstruction, erection, alteration, renovation, improvement, demolition, or repair work to any publicly owned, leased or operated plant, building, structure, ground facility, utility system, road, or other public improvement of any kind.
- 8.6 **Risk of Loss; Insurance.** Customer will bear the risk of all loss, damage, or theft with respect to the Equipment, and will maintain insurance against such loss, damage, or theft. Customer will maintain, at its sole expense and at all times during the term of this Agreement, fire and extended coverage, public liability, and property damage insurance with respect to the Equipment in such amounts, covering such risks, and with such insurers, as are satisfactory to Trillion (the "Insurance Coverage"). Each policy of insurance will name Customer as an insured, and Customer will name Trillion and its assigns as an additional insured and loss payee. In addition, each policy of insurance will specify that the insurer give Trillion at least thirty (30) days prior written notice of any alteration in the terms of such policy or the cancellation thereof. The proceeds of any such policies will be payable to Customer and Trillion (or their successors or assigns) as their interest may appear. Upon Commencement Date and subsequently upon each insurance renewal date, Customer will promptly deliver to Trillion a certificate evidencing the insurance coverage required under this Agreement, and will promptly deliver to Trillion updated certificates each time it is renewed or modified.
- 8.7 **Notices, Written Consents.** Except where provided otherwise, notices and written consents will be in writing and will be deemed to have been fully given and received (1) when delivered personally; (2) when sent by confirmed fax; (3) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (4) one (1) day after deposit with a commercial overnight carrier, with written verification of such receipt. Notices, written consents, and payments will be sent to the parties at the addresses set forth in the signature block below or such other address as either party may specify in writing to the other.
- 8.8 **Conflicting Terms; Survival.** If there is a conflict among the terms in this Agreement and any Product Addendum attached hereto or any subsequent amendment to this Agreement, the terms of the later Product Addendum or amendment shall control. Customer's obligations under this Agreement shall commence on the date this Agreement is signed by Customer below, with the sole and limited exception that Customer's obligation to begin payment under this Agreement shall begin on the date the Customer executes an acceptance certificate applicable to the Services specified in the applicable Product Addendum. If there are multiple stages of acceptance for a given Product Addendum, Customer shall promptly pay its pro-rated share for the accepted Services as invoiced by Trillion. Independent of this obligation to pay, if there are multiple stages of acceptance for a given Product Addendum, the latest date of acceptance shall be the Commencement Date. The terms of any sections which by their nature are intended to extend beyond termination will survive termination of this Agreement for any reason.
- 8.9 **No Waiver; Severability; Section Headings.** The failure of a party to exercise or enforce any right or provision of the Agreement will not constitute a waiver of such right or provision. Nothing in this Agreement shall be construed in a manner which would result in a violation of any local, state, or federal laws or regulations, and any provision found by a court of competent jurisdiction to be in violation of such law or regulation shall be considered deleted and the remainder of the Agreement shall be construed, as nearly as possible, to reflect the lawful intentions of the parties with the other provisions remaining in full force and effect. The section headings in the Agreement and Summary section in any Product Addendum are solely for the convenience of the parties and have no legal or contractual effect, except to the extent described in Section 1.8.
- 8.10 **Entire Agreement.** This Agreement, including each Product Addendum attached hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement does not affect, and is independent of, any previous agreement between the parties regarding the provision of Services not contemplated in this Agreement or applicable Product Addendum. Any previous agreement between the parties regarding the provision of Services contemplated in this Agreement or applicable Product Addendum shall continue in full force and effect, and shall be renewed on a month to month basis until the Commencement Date of this Agreement. No modification or waiver of any provision hereof will be effective unless made in writing and signed by both parties. Any attempted E-Rate SPIN change during the Term without the express prior written authorization of Trillion shall be void. This Agreement may be executed in two or more counterparts, each of which will be deemed an original for all purposes, and together will constitute one and the same document. Faxed signatures will be relied upon as original signatures in all respects, however, Trillion requires Customer to sign and return two originals.

TRILLION PARTNERS, INC.

"TRILLION"

9208 Waterford Centre Blvd., Suite 160
Austin, TX 78758

By: 

Print Name: T. A. Patel

Title: President & CEO

Effective Date: 2-7-2008

SCHOOL FOR INTEGRATED ACADEMICS AND
TECHNOLOGIES, INC. (SIATECH)

"CUSTOMER"

Address: 217 ESCONDIDO AVE, ST 7
VISTA, CA 92084

By: 

Print Name: TOM HALFAKER

Title: DIRECTOR, IT

Date: 2/7/08

ACCEPTANCE CERTIFICATE

Customer certifies that the Equipment and Services which are set forth in the Product Addendum dated and effective as of the _____ day of _____, 200____, and subject to the Services Agreement dated and effective as of the _____ day of _____, 2000____, each between Customer and Trillion Partners, Inc., are accepted by Customer as of _____, 200____, which for purposes of the Product Addendum and Services Agreement shall be the Commencement Date for the Services Agreement. Customer agrees to promptly certify the payment schedule, to be submitted by Trillion at a later date.

Standard Conditions of Acceptance

The School Board has conducted, or directed the signatory person below to conduct, such inspection and/or testing of the Equipment and Services as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment and Services for all purposes. School Board reaffirms their obligation to a) pay all amounts due and to become due and b) perform all other obligations under the Services Agreement, are absolute.

Trillion has provided the Services as warranted in the Services Agreement, and no event has occurred that would cause Customer to terminate the Services Agreement.

If Customer utilizes the Trillion Wide Area Network services at any time in any way for the provision of voice services, then the following paragraph shall apply: We understand that Trillion has requested that we obtain a voice grade line that includes 911 access for each of our locations from our local telephone service provider (which is not Trillion). We understand that Trillion is not responsible for providing this separate voice grade line from our local telephone service provider. We certify that we will take all appropriate action to meet our safety needs, and that we have the sole responsibility to obtain service from our local telephone service provider (which is not Trillion) for access to 911 services at each of our locations. For good and valuable consideration, the receipt and sufficiency of which is acknowledged by the undersigned, Customer, its successors and assigns, agree to hold Trillion Partners, Inc., its officers, directors, shareholders, representatives, affiliates, and employees, free and harmless from, and fully and completely indemnify each of them from and against, any obligations, costs, claims, judgments, reasonable attorneys' fees, and attachments to the extent arising from or attributable to the issues raised by this paragraph.

No valid handwritten alterations have been made to the typed print of this acceptance.

"Customer"

By: _____

Name: _____

Title: _____

Trillion Partners, Inc.
"Trillion"

By: _____

Name: _____

Title: _____

PRODUCT ADDENDUM



Product: WAN
No.: PD-0001908

This Product Addendum is made by Trillion Partners, Inc. ("Trillion") and Customer (collectively the "parties") effective on the Effective Date indicated below. This Product Addendum is a part of and amends the Services Agreement between the parties numbered SA-010808-000959 ("Agreement"). In consideration of the mutual promises and covenants contained herein the receipt and sufficiency of which are acknowledged, the parties represent, warrant, covenant, and agree as follows:

1. **ENTIRE ADDENDUM.** The Agreement shall remain in full force and effect except to the limited extent described herein. Any attempted E-Rate SPIN change during the Term without the express prior written authorization of Trillion shall be void. This Product Addendum may be modified only if done so in writing and signed by both parties. This Product Addendum may be executed in two or more counterparts, each of which will be deemed an original for all purposes, and together will constitute one and the same document. Faxed signatures will be relied upon as original signatures in all respects. Except to the extent the Agreement is separately executed by the parties, the parties' signature hereto shall also constitute full execution of the Agreement as of the date listed below.
2. **COMMENCEMENT; SURVIVAL.** Customer's obligations under this Agreement shall commence on the date this Product Addendum is signed by Customer below, with the sole and limited exception that Customer's obligation to begin payment under this Product Addendum shall begin on the date the Customer executes an acceptance certificate applicable to this Product Addendum. If there are multiple stages of acceptance for this Product Addendum, Customer shall promptly pay its pro-rated share for the accepted Services as invoiced by Trillion. Independent of this obligation to pay, if there are multiple stages of acceptance for this Product Addendum, the latest date of acceptance shall be the Commencement Date. The terms of any sections which by their nature are intended to extend beyond termination will survive termination of this Product Addendum for any reason.
3. **EXTENSIONS AND UPGRADES.** The parties agree that extensions to the term of this Product Addendum are expressly authorized and shall not require a new bid. The parties agree that upgrades, improvements, additional sites, and enhancements to the Services are expressly authorized and any amendment hereto to effectuate such upgrades, improvements, additional sites, and enhancements shall not require a new bid as long as the amendment reasonably relates to the Services. Any amendment hereto shall be in writing signed by both parties.
4. **"TERM"** means the period beginning on the date of acceptance as indicated in writing on the Certificate of Acceptance and continuing for a period of five (5) years thereafter, unless extended or sooner terminated under the Agreement or a subsequent Product Addendum.
5. **ASSUMPTIONS:**
 - (a) Trillion is relieved of its obligation to provide the Services if certain preconditions to installation which are outside the control of Trillion do not occur.
 - (b) The following assumptions are in addition to those listed in Section 8.5 of the Services Agreement, and are a part thereof:

DESCRIPTION OF SERVICES: DIGITAL TRANSMISSION SERVICE - WIDE AREA NETWORK.

Wide Area Network Services for Connection to Oceanside, CA	Mbps Link	Service Type (Fiber/Wireless/ MPLS)
SIA Tech Warehouse, Oceanside, CA	45	MPLS
Island Empire Charter School; San Bernardino, CA	6	MPLS
Los Angeles Charter School; Los Angeles, CA	6	MPLS
San Diego Charter School; San Diego, CA	6	MPLS
Treasure Island Charter School; San Francisco, CA	6	MPLS
Long Beach Charter School; Long Beach, CA	6	MPLS
Sacramento Charter School; Sacramento, CA	6	MPLS
San Jose Charter School; San Jose, CA	6	MPLS
Admin Office; Vista, CA	6	MPLS

PRODUCT ADDENDUM



Product: WAN
No.: PD-0001908

Service Summary

Service: **Wide Area Network Services**
Number of Sites: 9
Contract Term in Years: 5
Estimated E-Rate Discount: 90%

	Before E-Rate and CTF**		After E-Rate	
	Month	Annual	Month	Annual
Installation Charge Per Site	\$0.00		\$0.00	
Total Service Charge - All Sites	\$44,991.00	\$539,892.00	\$4,499.10	\$53,989.20
Total Service Charge per Site	\$4,999.00	\$59,988.00	\$499.90	\$5,998.80
Customer Payments to Trillion*			\$4,499.10	\$53,989.20

	After E-Rate, After CTF**	
	Month	Annual
Installation Charge Per Site	\$0.00	
Total Service Charge - All Sites	\$2,249.55	\$26,994.60
Total Service Charge per Site	\$249.95	\$2,999.40

* Does not include taxes or governmental fees, including but not limited to USF fees, sales taxes, etc., that Customer is also required to pay as listed on the invoice.

** This is provided for informational purposes only. The CTF discount is determined by the PUC, not Trillion, but we have provided our best estimate as to funding under the CTF program to assist you.

TRILLION PARTNERS, INC.

"TRILLION"

9208 Waterford Centre Blvd., Suite 150
Austin, TX 78758

By: _____

Print Name: TERRILL A. POTER

Title: PRESIDENT & CEO

Effective Date: 2-7-2008

SCHOOL FOR INTEGRATED ACADEMICS AND TECHNOLOGIES, INC. (SIATECH)

"CUSTOMER"

Address: 217 ESCONDIDO AVE, ST 7
VISTA, CA 92084

By: _____

Print Name: TOM HALFAKER

Title: DIRECTOR, IT

Date: 2/7/08

SERVICE LEVEL AGREEMENTS



Digital Transmission Service - Wide Area Network Service Level Agreement

Support Service. Trillion's goal is provide carrier class service for our customers. Support services are provided for up to four authorized technical contacts that have been given access to the Trillion NOC. Trillion provides the ability to receive and process support cases 24x7x365. Hours of operation, phone and online support are from 8 a.m. to 7 p.m. Central time, with emergency outage support 24 hours a day, seven days a week. The Trillion Network Operations Center is staffed 24x7 for proactive network monitoring and WAN system management services.

Service Metrics. Trillion will respond and begin corrective action when the following service specifications drop below the identified threshold for a given site:

- (1) Service Availability: Availability drops below 100%
- (2) Latency: Average Round trip Latency exceeds 30ms
- (3) Packet Loss: Average Packet loss is greater than 1%
- (4) Mbps: Throughput is 90% of the total bandwidth contracted for each site
- (5) Customer Support: Trillion's goal is to provide a NOC support contact within a two hour average response time to any customer submitted support request
- (6) On-site Service: Trillion's goal is to dispatch a field technician within one hour of service outage verification if the service cannot be restored remotely.

Scheduled Maintenance. Trillion will notify customer 48 hours in advance of any scheduled maintenance. Trillion at its sole discretion will apply necessary maintenance patches or upgrades necessary to resolve critical issues and ensure the service specifications are being met.

Customer is responsible for the LAN (Local Area Network) connectivity. This includes all LAN equipment and LAN activity including Internal LAN routing, subnets, DHCP and/or DNS changes that need to be made for internal building network access to the WAN.

Customer is responsible for: all internal cabling and power; providing local LAN IP routing and Ethernet for incoming WAN connection; providing end user help desk support including applications support, LAN support, Internet access support, VPN support, etc.; and all customer owned equipment backups. Trillion will provide configuration backups of all Trillion-owned devices.

Penalty for Service Availability Non-Compliance: For a given calendar month, within which Trillion experiences a Service Outage, Customer may request a service outage credit. In order to be eligible for the credit, Customer must log a service credit case within five (5) business days of the outage with verification by Trillion of the event. Trillion will apply a service credit based on a pro-rated calculation of the amount of time the service was unavailable to the affected site during that month.

EXHIBIT B

EXHIBIT B



June 12, 2009

Tom Halfaker
SIATECH INC.
2611 Temple Heights Dr
Suite A
Oceanside, CA 92056

FCC Form 471 #: 584060, 635031, 635283, 686078, 695002

Re: Request for Information Concerning Trillion Partners, Inc. Funding Request Numbers on the FCC Form 471 Application Numbers Listed Above

Dear Tom Halfaker:

The Universal Service Administrative Company (USAC), the administrator of the federal universal service support mechanism for schools and libraries (known as the E-Rate program), is responsible for ensuring that E-Rate program funding is disbursed in compliance with the Telecommunications Act of 1996¹ and Federal Communications Commission (FCC) regulations and orders governing the program.² In addition, USAC has a fiduciary duty to protect the Universal Service Fund and the universal service support mechanisms (collectively, the USF) from waste, fraud, and abuse.³

Trillion Partners, Inc. (Trillion), one of your current or prior service providers, was named as one of several defendants in a complaint brought by the State of Arizona (Arizona) alleging antitrust, bid rigging, procurement fraud, and conflict of interest violations of Arizona law.⁴ The complaint alleges that, among other things, Trillion, which submitted a bid related to Tucson Unified School District (TUSD) E-Rate program applications, obtained inside information from TUSD's E-Rate program consultant -- E-Rate Consulting Services, LLC (ERC); and provided gifts and gratuities to TUSD administrators and employees involved in the competitive purchasing and procurement processes in violation of applicable requirements. Both Trillion and TUSD have settled the case and entered into consent judgments with Arizona.

¹ The Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat 56 (1996 Act), amended the Communications Act of 1934.

² See generally, 47 U.S.C. § 254; 47 C.F.R. § 54.500 *et seq.*

³ See 47 C.F.R. § 54.702.

⁴ See *State of Arizona v. Tucson Unified School District, et al.*, Complaint, Case No. CV2009-003035 (Ariz. Sup. Ct.) (*Complaint*).

Although Trillion has settled the Arizona complaint, the issues identified in the complaint raise concerns as to whether funding requests associated with Trillion are in compliance with the Telecommunications Act of 1996 and the FCC's implementing regulations and orders governing the E-Rate program. Therefore, pursuant to its responsibilities as administrator to avoid improper payments and to protect the USF from waste, fraud and abuse, USAC is holding funding requests and invoices associated with Trillion pending USAC's investigation of these issues.⁵

Below is an overview of the FCC's rules governing the E-Rate program, the issues identified in the Arizona case, and USAC's request for information from your entity.

I. Trillion's Participation in the E-Rate Program and the State of Arizona's Claims

The complaint alleges that, among other things, Trillion obtained inside information from TUSD's E-Rate program consultant and provided gifts and gratuities to TUSD administrators and employees involved in the competitive purchasing and procurement processes.

In the consent judgment, the Attorney General contends that Trillion and its employees

- a. conspired with [E-Rate Consulting] to restrain intrastate trade and influence the bidding process in favor of Trillion by communicating verbally and in writing, before and during the District's procurement process, regarding the District's ROI analysis and RFPs, agreeing to work together to ensure both Trillion and ERC obtained District contracts, agreeing to influence the District's RFPs to give Trillion an advantage over other prospective vendors;
- b. conspired with [TUSD] Defendants . . . to restrain intrastate trade and influence the bidding process by communicating verbally and in writing, both before and during the District's procurement process, regarding the District's ROI analysis, its plans for telecommunications and technology projects (WAN and VoIP), and its RFPs, agreeing to evade statutes, rules and policies on competitive purchasing and procurement processes, agreeing to ensure that Trillion would be awarded a District contract;

⁵ See Improper Payments Information Act of 2002, 31 U.S.C. § 3321 (2002); *see also* *Petition of the Puerto Rico Department of Education to Release Funds Associated with the Schools and Libraries Universal Service Support Mechanism for Years 2001 and 2002*, CC Docket No. 02-6, 18 FCC Rcd 25417, 25422, ¶¶ 15, 17 (2003) ("Here, it was appropriate for USAC to defer action on PRDOE's FY 2001 and 2002 applications in light of the ongoing investigation of activities at PRDOE in the recent prior years, particularly in light of the indictment and conviction of the former Secretary of Education for Puerto Rico for extortion activities related to contractors for PRDOE."); *Request for Immediate Relief filed by the State of Tennessee, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, CC Docket Nos. 96-45, 97-21, 18 FCC Rcd 13581, 13586-89, ¶¶ 17, 22 (2003) ("we seek to balance USAC's proper caution in acting on a funding request that may be associated with a law enforcement investigation.").

- c. had improper contact and communication with other [TUSD] employees before and during competitive purchasing and procurement processes;
- d. provided gifts and gratuities to [TUSD] employees; and
- e. denied the [TUSD] the benefit of free and open competition.⁶

Trillion states in the consent judgment that it disputes and denies any liability for the violations outlined above.

II. Federal Communications Commission's Rules

Fundamental Competitive Bidding Requirements. In preparing requests for funding, applicants seeking discounted services through the E-Rate program must follow certain competitive bidding requirements. After preparing a technology plan, an applicant initiates the competitive bidding process by submitting an FCC Form 470 to USAC for posting on the USAC website.⁷ This posting enables prospective service providers to bid on the equipment and services for which the applicant will request universal service support. After the FCC Form 470 has been posted, the applicant must wait at least 28 days before entering into agreements with service providers (to provide one or more of the services and/or products listed above), must comply with all applicable state and local procurement laws, and must comply with the other competitive bidding requirements established by the FCC.⁸ If an applicant chooses to issue a request for proposals (RFP) or is required to issue an RFP under applicable state and local procurement laws, the RFP must also be available for at least 28 days.⁹

The FCC's rules require a fair and open competitive bidding process that is free from conflicts of interest. Under the Commission's rules, service providers may not participate in the bidding process other than as bidders because, as the Commission has ruled, "direct involvement in an application process by a service provider would thwart the competitive bidding process."¹⁰ Communications between applicants, their consultants, and service providers that unfairly influence the outcome of the competition, provide inside

⁶ *Consent Judgment* at 6-7.

⁷ See 47 C.F.R. §§ 54.504(b), 54.508; *Schools and Libraries Universal Service, Description of Services Requested and Certification Form 470*, OMB 3060-0806.

⁸ See 47 C.F.R. §§ 54.504, 54.511; *In re Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Report and Order*, 12 FCC Rcd 8776, ¶ 575 (rel. May 8, 1997).

⁹ See *Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, El Paso, Texas, et al., Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, SLD Nos. 321479, 317242, 317016, 311465, 317452, 315362, 309005, 317363, 314879, 305340, 315578, 318522, 315678, 306050, 331487, 320461, CC Docket Nos. 96-45, 97-21, *Order*, 19 FCC Rcd 26407, 26424 ¶ 39 (2003) (*Ysleta Order*).

¹⁰ See *Ysleta Order*, 19 FCC Rcd at 26434 ¶ 60; See also, *Request for Review of Decisions of the Universal Service Administrator by MasterMind Internet Services, Inc., Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Order*, 16 FCC Rcd 4028-4032-33, ¶ 10 (2000); *Request for Review of Decisions of the Universal Service Administrator by SEND Technologies LLC, Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, *Order*, DA 07-1270 (2007); *Request for Review of Decisions of the Universal Service Administrator by Caldwell Parish School District, et al., Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, *Order*, DA 08-449 (2008).

information, or allow the provider to unfairly compete taints the competitive process. USAC guidance provides in relevant part as follows:

The competitive bidding process must be fair and open. "Fair" means that all bidders are treated the same and that no bidder has advance knowledge of the project information. "Open" means there are no secrets in the process, such as information shared with one bidder but not with others, and all bidders know what is required of them. The [FCC] Form 470 or the RFP should be clear about the products, services, and quantities the applicant is seeking.

In order to be sure that a fair and open competition is achieved, any marketing discussions held with service providers must be neutral, so as not to taint the competitive bidding process. That is, the applicant should not have a relationship with a service provider prior to the competitive bidding that would unfairly influence the outcome of a competition or would furnish the service provider with "inside" information or allow it to unfairly compete in any way.¹¹

FCC rules also require applicants to select the most cost-effective service offering and require applicants to certify that "[a]ll bids submitted were carefully considered and the most cost-effective bid for services or equipment was selected, with price being the primary factor considered, and is the most cost-effective means of meeting educational needs and technology plan goals."¹² This requirement applies even if an applicant received only one bid.¹³

USAC Obligation to Recoup Improperly Disbursed Funds. FCC rules require USAC to rescind funding commitments in all or part and recover funds when USAC learns that funding commitments and/or disbursements of funds were inconsistent with the Telecommunications Act of 1996 and FCC regulations and orders.¹⁴ In particular, FCC rules require USAC to "recover the full amount disbursed for any funding requests in which the beneficiary failed to comply with the Commission's competitive bidding requirements as set forth in section 54.504 and 54.511 of [the FCC's] rules and amplified in related Commission orders."¹⁵

¹¹ ~~See <http://www.usac.org/applicants/step07/fair-open-competitive-process>~~

¹² 47 C.F.R. § 54.504(c)(1)(xi); see also, 47 C.F.R. § 54.511(a).

¹³ *Ysleta Order*, 18 FCC Red at 26431 – 26432.

¹⁴ See *Changes to the Board of Directors of the National Exchange Carrier Association*, CC Docket Nos. 97-21, 96-45, FCC 99-291 (1999); *Changes to the Board of Directors of the National Exchange Carrier Association*, CC Docket Nos. 97-21, 96-45, FCC 00-350 (2000); *Federal-State Joint Board on Universal Service, Changes to the Board of Directors for the National Exchange Carrier Association, Inc., Schools and Libraries Universal Service Support Mechanism*, Order on Reconsideration and Fourth Report and Order, CC Docket Nos. 96-45, 97-21, 02-6, 19 FCC Red 15252 (2004) (*Schools and Libraries Fourth Report and Order*).

¹⁵ *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Fifth Report and Order and Order, 19 FCC Red 15808, ¶ 21 (2004).

II. Request for Information and Documentation

Given the concerns noted above, USAC requires information from you to determine whether your funding requests associated with Trillion are in compliance with the FCC's rules governing the E-Rate program.

1. For each of the Funding Request Number(s) (FRN) associated with Trillion on the FCC Form 471 applications listed above, please answer the questions and provide the documentation listed below. Please provide this information regardless of whether the FRN was originally associated with Trillion Partners or with Trillion Digital Communications:
 - a. Indicate, for each FRN, whether an E-Rate program consultant assisted you in any manner with regard to the FRN. If any assistance was provided, indicate the name of the consultant, whether you entered into a written agreement with the consultant, and provide a description of the assistance. Provide a copy of any written agreement that you entered into with any E-Rate program consultant related to these FRNs. To the extent you do not have responsive information, specify that in your response.
 - b. Copies of all communications between any member of your staff, any E-Rate program consultant and any Trillion officer/employee related to the agreement (whether the agreement is a contract, or is Tariff or Month-to-Month) upon which each FRN relies. These communications must include any and all written correspondence, including call logs and memorializations of verbal conversations, that occurred starting prior to the posting of the relevant FCC Form 470 through the signing of the agreement with Trillion. This request specifically includes any and all communications regarding your anticipated E-Rate program services prior to the posting of any FCC Form 470 or finalization of any Request for Proposal (RPF) or similar document. To the extent you do not have responsive information, specify that in your response.
 - c. List of all gifts – including monetary gifts – offered or provided by Trillion officers/employees to any staff member, including a description of the gift, to whom it was offered/provided, when it was offered/provided, and its value. To the extent you do not have responsive information, specify that in your response.
 - d. List of all meals, entertainment and/or trips offered or provided by Trillion officers/ employees to any staff member including a description of the meals, entertainment and/or trips, to whom it was offered/provided, when it was offered/provided, and its value. To the extent you do not have responsive information, specify that in your response.

2. List of all E-Rate program seminars, workshops, etc. any of your staff members have attended that were sponsored in whole or in part by Trillion, including the date, location, attendees, the agenda and copies of any and all materials made available and/or presented at the seminar. To the extent you do not have responsive information, specify that in your response.

Conclusion

It is USAC's goal for you to continue to realize the benefits of the E-Rate program for your students. However, in light of the issues raised in the complaint, to ensure that funding is disbursed in compliance with applicable law, and to protect the USF from waste, fraud and abuse, USAC must investigate whether funding requests associated with Trillion are in compliance with program rules. Please also be advised that responses you provide in addressing the matters identified in this letter may result in follow-up information requests by USAC.

I appreciate your immediate attention to these important matters and request your complete response within 15 days of the date of this letter. Please send your response via e-mail, fax or mail to:

ATTN: Barbara Cannan
Special Compliance Review
Phone: 973-581-5070
Fax: 973-599-6552
Email: bcannan@sl.universalservice.org

Mailing address:
Schools and Libraries Division
100 S. Jefferson Rd
Whippany, NJ 07981

If you have any questions, or if you need additional time to prepare your response, please contact Ms. Cannan via phone or e-mail as soon as possible.

Sincerely,

//s//
Mel Blackwell
Vice President, Schools and Libraries Division

Cc: Superintendent
SIATECH INC.
217 ESCONDIDO AVENUE #7
VISTA, CA 92084



Schools and Libraries Division

June 12, 2009

Tom Halfaker
NEW CORP
2611 Temple Heights Dr
Suite A
Oceanside, CA 92056

FCC Form 471 #: 433254, 583858, 583950, 584000, 635394, 635691, 636203, 636585,
636634, 694279, 694690

Re: Request for Information Concerning Trillion Partners, Inc. Funding Request Numbers
on the FCC Form 471 Application Numbers Listed Above

Dear Tom Halfaker:

The Universal Service Administrative Company (USAC), the administrator of the federal universal service support mechanism for schools and libraries (known as the E-Rate program), is responsible for ensuring that E-Rate program funding is disbursed in compliance with the Telecommunications Act of 1996¹ and Federal Communications Commission (FCC) regulations and orders governing the program.² In addition, USAC has a fiduciary duty to protect the Universal Service Fund and the universal service support mechanisms (collectively, the USF) from waste, fraud, and abuse.³

Trillion Partners, Inc. (Trillion), one of your current or prior service providers, was named as one of several defendants in a complaint brought by the State of Arizona (Arizona) alleging antitrust, bid rigging, procurement fraud, and conflict of interest violations of Arizona law.⁴ The complaint alleges that, among other things, Trillion, which submitted a bid related to Tucson Unified School District (TUSD) E-Rate program applications, obtained inside information from TUSD's E-Rate program consultant – E-Rate Consulting Services, LLC (ERC); and provided gifts and gratuities to TUSD administrators and employees involved in the competitive purchasing and procurement processes in violation of applicable requirements. Both Trillion and TUSD have settled the case and entered into consent judgments with Arizona.

¹ The Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat 56 (1996 Act), amended the Communications Act of 1934.

² See generally, 47 U.S.C. § 254; 47 C.F.R. § 54.500 *et seq.*

³ See 47 C.F.R. § 54.702.

⁴ See *State of Arizona v. Tucson Unified School District, et al.*, Complaint, Case No. CV2009-003035 (Ariz. Sup. Ct.) (*Complaint*).

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Although Trillion has settled the Arizona complaint, the issues identified in the complaint raise concerns as to whether funding requests associated with Trillion are in compliance with the Telecommunications Act of 1996 and the FCC's implementing regulations and orders governing the E-Rate program. Therefore, pursuant to its responsibilities as administrator to avoid improper payments and to protect the USF from waste, fraud and abuse, USAC is holding funding requests and invoices associated with Trillion pending USAC's investigation of these issues.⁵

Below is an overview of the FCC's rules governing the E-Rate program, the issues identified in the Arizona case, and USAC's request for information from your entity.

I. Trillion's Participation in the E-Rate Program and the State of Arizona's Claims

The complaint alleges that, among other things, Trillion obtained inside information from TUSD's E-Rate program consultant and provided gifts and gratuities to TUSD administrators and employees involved in the competitive purchasing and procurement processes.

In the consent judgment, the Attorney General contends that Trillion and its employees

- a. conspired with [E-Rate Consulting] to restrain intrastate trade and influence the bidding process in favor of Trillion by communicating verbally and in writing, before and during the District's procurement process, regarding the District's ROI analysis and RFPs, agreeing to work together to ensure both Trillion and ERC obtained District contracts, agreeing to influence the District's RFPs to give Trillion an advantage over other prospective vendors;
- b. conspired with [TUSD] Defendants . . . to restrain intrastate trade and influence the bidding process by communicating verbally and in writing, both before and during the District's procurement process, regarding the District's ROI analysis, its plans for telecommunications and technology projects (WAN and VoIP), and its RFPs, agreeing to evade statutes, rules and policies on competitive purchasing and procurement processes, agreeing to ensure that Trillion would be awarded a District contract;

⁵ See Improper Payments Information Act of 2002, 31 U.S.C. § 3321 (2002); *see also* *Petition of the Puerto Rico Department of Education to Release Funds Associated with the Schools and Libraries Universal Service Support Mechanism for Years 2001 and 2002*, CC Docket No. 02-6, 18 FCC Red 25417, 25422, ¶¶ 15, 17 (2003) ("Here, it was appropriate for USAC to defer action on PRDOE's FY 2001 and 2002 applications in light of the ongoing investigation of activities at PRDOE in the recent prior years, particularly in light of the indictment and conviction of the former Secretary of Education for Puerto Rico for extortion activities related to contractors for PRDOE."); *Request for Immediate Relief filed by the State of Tennessee, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, CC Docket Nos. 96-45, 97-21, 18 FCC Red 13581, 13586-89, ¶¶ 17, 22 (2003) ("we seek to balance USAC's proper caution in acting on a funding request that may be associated with a law enforcement investigation.").

- c. had improper contact and communication with other [TUSD] employees before and during competitive purchasing and procurement processes;
- d. provided gifts and gratuities to [TUSD] employees; and
- e. denied the [TUSD] the benefit of free and open competition.⁶

Trillion states in the consent judgment that it disputes and denies any liability for the violations outlined above.

II. Federal Communications Commission's Rules

Fundamental Competitive Bidding Requirements. In preparing requests for funding, applicants seeking discounted services through the E-Rate program must follow certain competitive bidding requirements. After preparing a technology plan, an applicant initiates the competitive bidding process by submitting an FCC Form 470 to USAC for posting on the USAC website.⁷ This posting enables prospective service providers to bid on the equipment and services for which the applicant will request universal service support. After the FCC Form 470 has been posted, the applicant must wait at least 28 days before entering into agreements with service providers (to provide one or more of the services and/or products listed above), must comply with all applicable state and local procurement laws, and must comply with the other competitive bidding requirements established by the FCC.⁸ If an applicant chooses to issue a request for proposals (RFP) or is required to issue an RFP under applicable state and local procurement laws, the RFP must also be available for at least 28 days.⁹

The FCC's rules require a fair and open competitive bidding process that is free from conflicts of interest. Under the Commission's rules, service providers may not participate in the bidding process other than as bidders because, as the Commission has ruled, "direct involvement in an application process by a service provider would thwart the competitive bidding process."¹⁰ Communications between applicants, their consultants, and service providers that unfairly influence the outcome of the competition, provide inside

⁶ *Consent Judgment* at 6-7.

⁷ See 47 C.F.R. §§ 54.504(b), 54.508; *Schools and Libraries Universal Service, Description of Services Requested and Certification Form 470*, OMB 3060-0806.

⁸ See 47 C.F.R. §§ 54.504, 54.511; *In re Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Report and Order*, 12 FCC Rcd 8776, ¶ 575 (rel. May 8, 1997).

⁹ See *Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, El Paso, Texas, et al., Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, SLD Nos. 321479, 317242, 317016, 311465, 317452, 315362, 309005, 317363, 314879, 305340, 315578, 318522, 315678, 306050, 331487, 320461, CC Docket Nos. 96-45, 97-21, *Order*, 19 FCC Rcd 26407, 26424 ¶ 39 (2003) (*Ysleta Order*).

¹⁰ See *Ysleta Order*, 19 FCC Rcd at 26434 ¶ 60; See also, *Request for Review of Decisions of the Universal Service Administrator by MasterMind Internet Services, Inc., Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Order*, 16 FCC Rcd 4028-4032-33, ¶ 10 (2000); *Request for Review of Decisions of the Universal Service Administrator by SEND Technologies LLC, Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, *Order*, DA 07-1270 (2007); *Request for Review of Decisions of the Universal Service Administrator by Caldwell Parish School District, et al., Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, *Order*, DA 08-449 (2008).

information, or allow the provider to unfairly compete taints the competitive process. USAC guidance provides in relevant part as follows:

The competitive bidding process must be fair and open. "Fair" means that all bidders are treated the same and that no bidder has advance knowledge of the project information. "Open" means there are no secrets in the process, such as information shared with one bidder but not with others, and all bidders know what is required of them. The [FCC] Form 470 or the RFP should be clear about the products, services, and quantities the applicant is seeking.

In order to be sure that a fair and open competition is achieved, any marketing discussions held with service providers must be neutral, so as not to taint the competitive bidding process. That is, the applicant should not have a relationship with a service provider prior to the competitive bidding that would unfairly influence the outcome of a competition or would furnish the service provider with "inside" information or allow it to unfairly compete in any way.¹¹

FCC rules also require applicants to select the most cost-effective service offering and require applicants to certify that "[a]ll bids submitted were carefully considered and the most cost-effective bid for services or equipment was selected, with price being the primary factor considered, and is the most cost-effective means of meeting educational needs and technology plan goals."¹² This requirement applies even if an applicant received only one bid.¹³

USAC Obligation to Recoup Improperly Disbursed Funds. FCC rules require USAC to rescind funding commitments in all or part and recover funds when USAC learns that funding commitments and/or disbursements of funds were inconsistent with the Telecommunications Act of 1996 and FCC regulations and orders.¹⁴ In particular, FCC rules require USAC to "recover the full amount disbursed for any funding requests in which the beneficiary failed to comply with the Commission's competitive bidding requirements as set forth in section 54.504 and 54.511 of [the FCC's] rules and amplified in related Commission orders."¹⁵

¹¹ See <http://www.usac.org/sl/applicants/step03/run-open-fair-competition.aspx>.

¹² 47 C.F.R. § 54.504(c)(1)(xi); see also, 47 C.F.R. § 54.511(a).

¹³ *Ysleta Order*, 18 FCC Red at 26431 – 26432.

¹⁴ See *Changes to the Board of Directors of the National Exchange Carrier Association*, CC Docket Nos. 97-21, 96-45, FCC 99-291 (1999); *Changes to the Board of Directors of the National Exchange Carrier Association*, CC Docket Nos. 97-21, 96-45, FCC 00-350 (2000); *Federal-State Joint Board on Universal Service, Changes to the Board of Directors for the National Exchange Carrier Association, Inc., Schools and Libraries Universal Service Support Mechanism*, Order on Reconsideration and Fourth Report and Order, CC Docket Nos. 96-45, 97-21, 02-6, 19 FCC Red 15252 (2004) (*Schools and Libraries Fourth Report and Order*).

¹⁵ *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Fifth Report and Order and Order, 19 FCC Red 15808, ¶ 21 (2004).

II. Request for Information and Documentation

Given the concerns noted above, USAC requires information from you to determine whether your funding requests associated with Trillion are in compliance with the FCC's rules governing the E-Rate program.

1. For each of the Funding Request Number(s) (FRN) associated with Trillion on the FCC Form 471 applications listed above, please answer the questions and provide the documentation listed below. Please provide this information regardless of whether the FRN was originally associated with Trillion Partners or with Trillion Digital Communications:
 - a. Indicate, for each FRN, whether an E-Rate program consultant assisted you in any manner with regard to the FRN. If any assistance was provided, indicate the name of the consultant, whether you entered into a written agreement with the consultant, and provide a description of the assistance. Provide a copy of any written agreement that you entered into with any E-Rate program consultant related to these FRNs. To the extent you do not have responsive information, specify that in your response.
 - b. Copies of all communications between any member of your staff, any E-Rate program consultant and any Trillion officer/employee related to the agreement (whether the agreement is a contract, or is Tariff or Month-to-Month) upon which each FRN relies. These communications must include any and all written correspondence, including call logs and memorializations of verbal conversations, that occurred starting prior to the posting of the relevant FCC Form 470 through the signing of the agreement with Trillion. This request specifically includes any and all communications regarding your anticipated E-Rate program services prior to the posting of any FCC Form 470 or finalization of any Request for Proposal (RPF) or similar document. To the extent you do not have responsive information, specify that in your response.
 - c. List of all gifts -- including monetary gifts -- offered or provided by Trillion officers/employees to any staff member, including a description of the gift, to whom it was offered/provided, when it was offered/provided, and its value. To the extent you do not have responsive information, specify that in your response.
 - d. List of all meals, entertainment and/or trips offered or provided by Trillion officers/ employees to any staff member including a description of the meals, entertainment and/or trips, to whom it was offered/provided, when it was offered/provided, and its value. To the extent you do not have responsive information, specify that in your response.

2. List of all E-Rate program seminars, workshops, etc. any of your staff members have attended that were sponsored in whole or in part by Trillion, including the date, location, attendees, the agenda and copies of any and all materials made available and/or presented at the seminar. To the extent you do not have responsive information, specify that in your response.

Conclusion

It is USAC's goal for you to continue to realize the benefits of the E-Rate program for your students. However, in light of the issues raised in the complaint, to ensure that funding is disbursed in compliance with applicable law, and to protect the USF from waste, fraud and abuse, USAC must investigate whether funding requests associated with Trillion are in compliance with program rules. Please also be advised that responses you provide in addressing the matters identified in this letter may result in follow-up information requests by USAC.

I appreciate your immediate attention to these important matters and request your complete response within 15 days of the date of this letter. Please send your response via e-mail, fax or mail to:

ATTN: Barbara Cannan
Special Compliance Review
Phone: 973-581-5070
Fax: 973-599-6552
Email: bcannan@sl.universalservice.org

Mailing address:
Schools and Libraries Division
100 S. Jefferson Rd
Whippany, NJ 07981

If you have any questions, or if you need additional time to prepare your response, please contact Ms. Cannan via phone or e-mail as soon as possible.

Sincerely,

//s//
Mel Blackwell
Vice President, Schools and Libraries Division

Cc: Superintendent
NEW CORP
217 ESCONDIDO AVE
VISTA, CA 92084

EXHIBIT C

EXHIBIT C

**New Education for the Workplace
Memorandum**

To: Barbara Cannan **From:** Tom Halfaker
Fax #: 973-599-6552 **Date:** 6/25/2009
Re: E-Rate questionnaire for BEN's 16020467 and 228867

Ms. Cannan,

I am in possession of two letters from USAC dated June 12, 2009 covering interactions between SIATech and NEWCorp and Trillion Partners and Trillion Digital Communications (Trillion). The letters are very similar in seeking information about interactions and communications between these consortia and Trillion in the bidding and contracting process for E-Rate funded services. The inquiries request information about all of the contracting which has occurred between the consortia and Trillion for E-Rate funding years 2004, 2007, 2008, and 2009. With the exception of funding year 2004, I have been the primary administrator for the E-Rate program for both consortia during the funding years in question.

The letters I received from USAC on this topic contain a Section II entitled "Request for Information and Documentation." This document will attempt to respond the requests in this section.

Below, I have replicated the questions in Section II. My answers can be found inserted at the end of each question.

II. Request for Information and Documentation

Given the concerns noted above, USAC requires information from you to determine whether your funding requests associated with Trillion are in compliance with the FCC's rules governing the E-Rate program.

1. For each of the Funding Request number(s) (FRN) associated with Trillion on the FCC Form 471 applications listed above, please answer the questions and provide the documentation listed below. Please provide this information regardless of whether the FRN was originally associated with Trillion Partners or with Trillion Digital Communications:
- b. Indicate, for each FRN, whether an E-Rate program consultant assisted you in any manner with regard to the FRN. If any assistance was provided, indicate the name of the consultant, whether you entered into a written agreement with the consultant, and provide a description of the assistance. Provide a copy of any written agreement that you entered into with any E-Rate program consultant related to these FRNs. To the extent you do not have responsive information, specify that in your response.

For the years in question and the referenced FRN's, no E-Rate consultants were used or employed by either SIATech or NEWCorp.

C-1

- c. Copies of all communications between any member of your staff, any E-Rate program consultant and any Trillion officer/employee related to the agreement (whether the agreement is a contract, or is Tariff or Month-to-Month) upon which each FRN relies. These communications must include any and all written correspondence, including call logs and memorializations of verbal conversations, that occurred starting prior to the posting of the relevant FCC Form 470 through the signing of the agreement with Trillion. This request specifically includes any and all communications regarding your anticipated E-Rate program services prior to the posting any FCC Form 470 of finalization of any Request for Proposal (RFP) or similar document. To the extent you do not have responsive information, specify that in your response.

Responding to this question will require access to records in my office. I will be able to satisfy this request, but not until I return to my office after the 4th of July weekend.

- d. List all gifts – including monetary gifts – offered or provided by Trillion officers/employees to any staff member, including a description of the gift, to whom it was offered /provided, when it was offered/provided, and its value. To the extent you do not have responsive information, specify that in your response.

I have checked with all employees of SIATech and NEWCorp who interface with Trillion. Neither they nor I have ever been offered a gift of any type from anyone employed by or representing Trillion.

- e. List of all meals, entertainment and/or trips offered or provided by Trillion officers/employees to any staff member including a description of the meals, entertainment and/or trips, to whom it was offered/provided, when it was offered/provided, and its value. To the extent you do not have responsive information, specify that in your response.

Since the beginning of Funding Year 2004, when I began working with SIATech and NEWCorp on the E-Rate program, I believe that about once per year, we have been visited by representatives of Trillion to discuss the status of the contracted services provided by Trillion to NEWCorp and SIATech. On these occasions, I and usually one or two additional staff members have been taken to lunch paid for by the Trillion representatives. We have always gone to the same local restaurant where the lunches (including drink) cost approximately \$10 per person.

2. List of all E-Rate program seminars, workshops, etc. any of your staff members have attended that were sponsored in whole or in part by Trillion, including the date, location, attendees, the agenda and copies of any and all materials made available and/or presented at the seminar. To the extent you do not have responsive information, specify that in your response.

Since the beginning of Funding Year 2004, when I began working with SIATech and NEWCorp on the E-Rate program, no employee of NEWCorp or SIATech has attended any E-Rate program seminar or workshop sponsored by Trillion. We have attended the annual USAC-delivered annual E-Rate program update seminars. I do not know if Trillion provides any sponsorship for this meeting.

I hope that this email answers all of your questions except for 1.b. which I will answer later.

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EXHIBIT D

EXHIBIT D



Universal Service Administrative Company

Schools and Libraries Division

Date: June 3, 2010

Tom Halfaker
New Corp
760-945-1995

Application Number(s) 635394, 635691, 636203, 636585, 636634, 694279, 694690, 728420 & 733636

Response Due Date: June 18, 2010

We are in the process of reviewing your funding requests with Trillion Partners, Inc. to ensure that they are, in compliance with the rules of the Universal Service program. You provided e-mail responses to our request for information concerning Trillion Partners, Inc. I have some follow-up questions in relation to your response and the documentation that has been provided by Trillion Partners, Inc. Please address each of the questions below:

- In FY2007, frn's 1618918, 1618542 & 1618798 and FY2008, frn's 1760604, 1761900 & 1762029 you are requesting WAN circuits. The referenced Form 470 #447870000621382 indicates in the Applicant's Form Identifier "NC YR10 Trill". Please explain why you used Trill in the Applicant's Form Identifier.
- E-mail correspondence that you provided shows that on January 19, 2006 Trillion states that they would like to respond to the Form 470 but WAN services are not listed. They ask you if you will be requiring WAN services, and if so, then, please file another Form 470 so that they can respond.
- E-mail correspondence that you provided shows that there was a discussion with Trillion on January 8, 2008 regarding the issuance of the Form 470's, RFP's, and services to be requested. Trillion provides you with suggestions so that nothing slips through the cracks regarding getting the e-rate process to guarantee funding. They state that all you have to do is select, confirm contract and file the Form 471's, and you'll be set.

A copy of these e-mail exchanges are attached for your review. These e-mail exchanges suggest that it was pre-determined that New Corp would enter into a new contract with Trillion prior to the Form 470 being posted and prior to the 28 competitive bidding window. It also suggests that Trillion was intimately involved in developing the specifications you would seek on your Form 470 and perhaps was involved in the drafting of the language to be used in the Form 470. Please review these e-mails and explain in detail why these discussions took place prior to the submission of the Form 470. Please indicate if Trillion was involved in the development of the specifications sought on the Form 470 and subsequent contracts awarded to Trillion. Please indicate if you intended to entertain bids and have a fair and open competitive bidding process or if the Consortium intended to select Trillion for this new contract without use of a fair and open competition. Please provide detailed support for your responses, including any supporting documentation you can provide.

- In the e-mail communication that was provided to USAC by Trillion, there are references to an invitation to attend Trillion's Customer Council meeting in FY2007. These e-mails dated June 8, 2007 through June 13, 2007 indicate that you were invited to the Customer Council but could not make it. You suggested that David Davis be invited. Please provide further detail regarding the customer conference. Indicate if any individuals from your organization attended the Customer Council and include their name. If they did attend please indicate whether Trillion paid for, or reimbursed for the cost of the trip, were gifts offered and/or received, and what was discussed at the meetings. Finally, please explain the role each of those individuals (if any attended the

council) played in any competitive bidding processes that involved Trillion, such as determining the services to be listed on the Form 470, creating the specifications for the bid, participating the vendor selection process, making the final vendor selection decision, or signing the contracts.

You have **15 days** to respond to this request. Your response is due by the close of business June 18, 2010. Please reply via e-mail or fax. Please provide complete responses and documentation to the questions listed above. It is important that you provide complete responses to ensure the timely review of your applications. If you do not respond, or provide incomplete responses, your funding request(s) (FRNs) may be reduced or denied, or in the case of committed FRNs subjected to commitment adjustment.

If the applicant's authorized representative completed the information in this document, please attach a copy of the letter of agency or consulting agreement between the applicant and the consultant authorizing them to act on the school or library's behalf. If you receive assistance outside of your organization in responding to this request, please indicate this in your reply.

Should you wish to cancel your Form 471 application(s), or any of your individual funding requests, please clearly indicate in your response that it is your intention to cancel an application or funding request(s). Include in any cancellation request the Form 471 application number(s) and/or funding request number(s). The cancellation request should be signed and dated and including both the name and title of the authorized individual.

Thank you for your cooperation and continued support of the Universal Service Program.

Jane Giancamillo
Program Integrity Assurance
USAC, Schools and Libraries Division
Phone: 973-581-5101
Fax: 973-599-6515
E-mail: jgianca@sl.universalservice.org

EXHIBIT E

EXHIBIT E



Schools and Libraries Division

Date: June 4, 2010

Tom Halfaker

SIatech

760-945-1995

Application Number(s) ~~635031, 605253, 686070, 605002 & 708534~~

Response Due Date: June 19, 2010

We are in the process of reviewing your funding requests with Trillion Partners, Inc. to ensure that they are, in compliance with the rules of the Universal Service program. You provided e-mail responses to our request for information concerning Trillion Partners. I have some follow-up questions in relation to your response and the documentation that has been provided by Trillion Partners, Inc. Please address each of the questions below:

- You have indicated in your response, "Since the beginning of Funding Year 2004, when I began working with SIATech and NEWCorp on the E-Rate program, I believe that [REDACTED] we have been visited by representatives of Trillion to discuss the status of the contracted services provided by Trillion to NEWCorp and SIATech. On these occasions, I and usually [REDACTED] additional staff members have been taken [REDACTED] by the Trillion representatives. We have always gone to the [REDACTED] where the lunches (including drink) cost approximately \$10 per person."

Trillion Partners, Inc. has provided documentation showing that meals with Trillion took place on the following dates. They included the cost of the meal for SIatech attendees:

2/12/2006 - [REDACTED] \$22.67 each, 2 attendees.
2/13/2006 - Lunch - \$17.07 each, 4 attendees.
4/15/2006 - [REDACTED] \$22.75, 1 attendee.
5/9/2006 - Lunch - \$17.46, 1 attendee.
12/5/2007 - Lunch - \$8.03 each, 2 attendees.
1/14/2008 - Lunch - \$18.81, 1 attendee.
1/31/23008 - Lunch - \$8.57, 1 attendee.
5/1/2008 - Lunch - \$8.23 each, 2 attendees.
7/17/2008 - Lunch - \$8.57 each, three attendees
9/25/2008 - Lunch - \$16.45, 1 attendee.
9/25/2008 - Snack - \$3.54, 1 attendee.

Please explain the discrepancy between your response and the documentation that Trillion has provided.

- In FY2007, frn's 1756542 & 1619254, you are requesting WAN circuits in telecommunications and internet access. Please explain why you requested two separate frn's, for the same dollar amount for WAN services in the telecommunications and internet access buckets.
- The referenced Form 470 #877520000621052, for frn's 1756542 & 1619254, indicates in the Applicant's Form Identifier "NC YR10 Trill". Please explain why you used Trill in the Applicant's Form Identifier.
- E-mail correspondence that you provided shows that on January 19, 2006 Trillion states that they would like to respond to the Form 470 but WAN services are not listed. They ask you if you will

be requiring WAN services, and if so, then, please file another Form 470 so that they can respond.

- E-mail correspondence that you provided shows that there was a discussion with Trillion on January 8, 2008 regarding the issuance of the Form 470's, RFP's, and services to be requested. Trillion provides you with suggestions so that nothing slips through the cracks regarding getting the e-rate process to guarantee funding. They state that all you have to do is select, confirm contract and file the Form 471's, and you'll be set.
- E-mail correspondence provided by Trillion dated December 10, 2007 indicates that they are setting up a conference call to discuss the Trillion, WAN design. In FY2008, the referenced Form 470 # 586640000660709 for WAN circuits was posted on January 8, 2008.
- E-mail correspondence provided by Trillion dated June 1, 2007, August 23, 2007 and March 19, 2008 discuss a good faith estimate for an IP Centrex solution and the Trillion Shortel Solution. The correspondence took place prior to the posting on the VoIP Form 470 on December 19, 2008.
- In the e-mail correspondence provided by Trillion dated September 23, 2008 you state that at the meeting with Trillion you will discuss including a Year 10 contract renewal or a Year 11 new contract option (e-rate approval risk):

A copy of these e-mail exchanges are attached for your review. These e-mail exchanges suggest that it was [REDACTED] who entered into a new contract with Trillion prior to the Form 470 being posted and prior to the 28 competitive bidding window. It is [REDACTED] who was involved in developing the specifications you would seek on your Form 470 and perhaps was involved in the drafting of the language to be used in the Form 470. Please [REDACTED] please indicate if Trillion was involved in the development of the specifications sought on the Form 470 and subsequent contracts awarded to Trillion. Please [REDACTED] provide detailed support for your responses, including any supporting documentation you can provide.

- In the e-mail correspondence provided by Trillion dated September 16, 2008, Joanne Motz, Siatech, Exhibit/Sponsor Manager, Siatech invites Trillion to either be a sponsor or contribute to a teacher's raffle prize at the Annual Reaching At Promise Students National Conference. Please provide further detail regarding the conference. Indicate if any individuals from Trillion attended the conference and include their name. If they did attend please indicate whether Siatech paid for, or reimbursed for the cost of the trip, were gifts offered (raffle prizes) and/or received, and what was discussed at the conference. Finally, please explain the role each of those individuals (if any attended the conference) played in any competitive bidding processes that involved Trillion, such as determining the services to be listed on the Form 470, creating the specifications for the bid, participating the vendor selection process, making the final vendor selection decision, or signing the contracts.
- In the e-mail communication that was provided to USAC by Trillion, there are references to an invitation to attend Trillion's Customer Council meeting in FY2007. These e-mails dated June 8, 2007 through June 13, 2007 indicate that you were invited to the Customer Council but could not make it. You suggested that David Davis be invited. Please provide further detail regarding the customer conference. Indicate if any individuals from your organization attended the Customer Council and include their name. If they did attend please indicate whether Trillion paid for, or reimbursed for the cost of the trip, were gifts offered and/or received, and what was discussed at the meetings. Finally, please explain the role each of those individuals (if any attended the council) played in any competitive bidding processes that involved Trillion, such as determining the services to be listed on the Form 470, creating the specifications for the bid, participating the vendor selection process, making the final vendor selection decision, or signing the contracts.

You have **15 days** to respond to this request. Your response is due by the close of business June 19, 2010. Please reply via e-mail or fax. Please provide complete responses and documentation to the questions listed above. It is important that you provide complete responses to ensure the timely review of your applications. If you do not respond, or provide incomplete responses, your funding request(s) (FRNs) may be reduced or denied, or in the case of committed FRNs subjected to commitment adjustment.

If the applicant's authorized representative completed the information in this document, please attach a copy of the letter of agency or consulting agreement between the applicant and the consultant authorizing them to act on the school or library's behalf. If you receive assistance outside of your organization in responding to this request, please indicate this in your reply.

Should you wish to cancel your Form 471 application(s), or any of your individual funding requests, please clearly indicate in your response that it is your intention to cancel an application or funding request(s). Include in any cancellation request the Form 471 application number(s) and/or funding request number(s). The cancellation request should be signed and dated and including both the name and title of the authorized individual.

Thank you for your cooperation and continued support of the Universal Service Program.

Jane Giancamillo
Program Integrity Assurance
USAC, Schools and Libraries Division
Phone: 973-581-5101
Fax: 973-599-6515
E-mail: jgianca@sl.universalservice.org



Schools and Libraries Division

Date: June 3, 2010

Tom Halfaker
New Corp
760-945-1995

Application Number(s) 635394, 635691, 636203, 636585, 636634, 694279, 694690, 728420 & 733636

Response Due Date: June 18, 2010

We are in the process of reviewing your funding requests with Trillion Partners, Inc. to ensure that they are, in compliance with the rules of the Universal Service program. You provided e-mail responses to our request for information concerning Trillion Partners, Inc. I have some follow-up questions in relation to your response and the documentation that has been provided by Trillion Partners, Inc. Please address each of the questions below:

- In FY2007, frn's 1618918, 1618542 & 1618798 and FY2008, frn's 1760604, 1761900 & 1762029 you are requesting WAN circuits. The referenced Form 470 #447870000621382 indicates in the Applicant's Form Identifier "NC YR10 Trill". Please explain why you used Trill in the Applicant's Form Identifier.
- E-mail correspondence that you provided shows that on January 19, 2006 Trillion states that they would like to respond to the Form 470 but WAN services are not listed. They ask you if you will be requiring WAN services, and if so, then, please file another Form 470 so that they can respond.
- E-mail correspondence that you provided shows that there was a discussion with Trillion on January 8, 2008 regarding the issuance of the Form 470's, RFP's, and services to be requested. Trillion provides you with suggestions so that nothing slips through the cracks regarding getting the e-rate process to guarantee funding. They state that all you have to do is select, confirm contract and file the Form 471's, and you'll be set.

A copy of these e-mail exchanges are attached for your review. These e-mail exchanges suggest that it was pre-determined that New Corp would enter into a new contract with Trillion prior to the Form 470 being posted and prior to the 28 competitive bidding window. It also suggests that Trillion was intimately involved in developing the specifications you would seek on your Form 470 and perhaps was involved in the drafting of the language to be used in the Form 470. Please review these e-mails and explain in detail why these discussions took place prior to the submission of the Form 470. Please indicate if Trillion was involved in the development of the specifications sought on the Form 470 and subsequent contracts awarded to Trillion. Please indicate if you intended to entertain bids and have a fair and open competitive bidding process or if the Consortium intended to select Trillion for this new contract without use of a fair and open competition. Please provide detailed support for your responses, including any supporting documentation you can provide.

- In the e-mail communication that was provided to USAC by Trillion, there are references to an invitation to attend Trillion's Customer Council meeting in FY2007. These e-mails dated June 8, 2007 through June 13, 2007 indicate that you were invited to the Customer Council but could not make it. You suggested that David Davis be invited. Please provide further detail regarding the customer conference. Indicate if any individuals from your organization attended the Customer Council and include their name. If they did attend please indicate whether Trillion paid for, or reimbursed for the cost of the trip, were gifts offered and/or received, and what was discussed at the meetings. Finally, please explain the role each of those individuals (if any attended the

council) played in any competitive bidding processes that involved Trillion, such as determining the services to be listed on the Form 470, creating the specifications for the bid, participating the vendor selection process, making the final vendor selection decision, or signing the contracts.

You have **15 days** to respond to this request. Your response is due by the close of business June 18, 2010. Please reply via e-mail or fax. Please provide complete responses and documentation to the questions listed above. It is important that you provide complete responses to ensure the timely review of your applications. If you do not respond, or provide incomplete responses, your funding request(s) (FRNs) may be reduced or denied, or in the case of committed FRNs subjected to commitment adjustment.

If the applicant's authorized representative completed the information in this document, please attach a copy of the letter of agency or consulting agreement between the applicant and the consultant authorizing them to act on the school or library's behalf. If you receive assistance outside of your organization in responding to this request, please indicate this in your reply.

Should you wish to cancel your Form 471 application(s), or any of your individual funding requests, please clearly indicate in your response that it is your intention to cancel an application or funding request(s). Include in any cancellation request the Form 471 application number(s) and/or funding request number(s). The cancellation request should be signed and dated and including both the name and title of the authorized individual.

Thank you for your cooperation and continued support of the Universal Service Program.

Jane Giancamillo
Program Integrity Assurance
USAC, Schools and Libraries Division
Phone: 973-581-5101
Fax: 973-599-6515
E-mail: jgianca@sl.universalservice.org

EXHIBIT F

EXHIBIT F

School for Integrated Academics and Technologies Memorandum

To: Jane Giancamillo

From: Tom Halfaker

Email: jgianca@sl.universalservice.org Date: 7/28/2010

Re: E-Rate application #'s 636031, 635283, 686078, 695002, and 728534

Ms. Giancamillo,

This is in response to your letter of June 4, 2010 requesting additional information for the E-Rate application numbers listed above for the SIATech consortium (BEN # 16020467).

In responding to your request, I have copied in the text of your questions below. Following each of your questions is my response.

We are in the process of reviewing your funding requests with Trillion Partners, Inc. to ensure that they are, in compliance with the rules of the Universal Service program. You provided e-mail responses to our request for information concerning Trillion Partners. I have some follow-up questions in relation to your response and the documentation that has been provided by Trillion Partners, Inc. Please address each of the questions below:

- You have indicated in your response, "Since the beginning of Funding Year 2004, when I began working with SIATech and NEWCorp on the E-Rate program, I believe that about once per year, we have been visited by representatives of Trillion to discuss the status of the contracted services provided by Trillion to NEWCorp and SIATech. On these occasions, I and usually one or two additional staff members have been taken to lunch paid for by the Trillion representatives. We have always gone to the same local restaurant where the lunches (including drink) cost approximately \$10 per person."

Trillion Partners, Inc. has provided documentation showing that meals with Trillion took place on the following dates. They included the cost of the meal for Siatech attendees:

2/12/2006 - Dinner - \$22.67 each, 2 attendees.
2/13/2006 - Lunch - \$17.07 each, 4 attendees.
4/15/2006 - Dinner - \$22.75, 1 attendee.
5/9/2006 - Lunch - \$17.46, 1 attendee.
12/5/2007 - Lunch - \$8.03 each, 2 attendees.
1/14/2008 - Lunch - \$18.81, 1 attendee.
1/31/23008 - Lunch - \$8.57, 1 attendee.
5/1/2008 - Lunch - \$8.23 each, 2 attendees.
7/17/2008 - Lunch - \$8.57 each, three attendees
9/25/2008 - Lunch - \$16.45, 1 attendee.
9/25/2008 - Snack - \$3.54, 1 attendee.

Please explain the discrepancy between your response and the documentation that Trillion has provided.

When making my response to the inquiry of June 2009, I had not done a detailed review of my calendar or the calendars of other members of SIATech's staff. Using the data supplied above, I checked historical calendars and can confirm that the above information does appear to be an accurate representation of meals paid for by Trillion with two exceptions. For the dinner listed on 4/15/2006 where I am listed as a participant, I show no record of in my historical calendar and do not believe it occurred. In addition, I have no recollection of anyone from Trillion purchasing me a snack on 9/25/2008. According to my records, during the period in question, I was a participant in six of the lunches and none of the dinners paid for by Trillion.

- In FY2007, frn's 1756542 & 1619254, you are requesting WAN circuits in telecommunications and internet access. Please explain why you requested two separate frn's, for the same dollar amount for WAN services in the telecommunications and internet access buckets.

In FY2007, it was necessary to submit two FRN's for WAN circuits due to the fact that one of the FRN's referenced an FY2006 contract that had not been approved by USAC. For this reason, a second FRN was submitted under a new contract beginning in FY2007. The reason that one FRN listed the circuits under "telecommunications" and the other under "internet access" was due to a clerical error in filing.

- The referenced Form 470 #877520000621052, for frn's 1756542 & 1619254, indicates in the Applicant's Form Identifier "NC YR10 Trill". Please explain why you used Trill in the Applicant's Form Identifier.

In FY2006, SIATech signed a contract with and implemented a Wide Area Network with Trillion Partners being the service provider. From that point in time, we internally referred to the WAN as the "Trillion WAN" so as to distinguish it from the WAN provided by our former service provider. The 470 application forms allow for an internal "Applicant Form Identifier" which we can use at SIATech to identify the type of application represented by the 470. For this reason, "Trill" was included in this identifier to allow us internally to easily identify the application as being WAN related. The identifier was not used to signify that Trillion was to be awarded the contract. Attached you will find a copy of the contract for WAN services between SIATech and Trillion Partners for FY2006.

The paragraphs below deal with emails between Trillion and SIATech:

- E-mail correspondence that you provided shows that on January 19, 2006 Trillion states that they would like to respond to the Form 470 but WAN services are not listed. They ask you if you will be requiring WAN services, and if so, then, please file another Form 470 so that they can respond.
- E-mail correspondence that you provided shows that there was a discussion with Trillion on January 8, 2008 regarding the issuance of the Form 470's, RFP's, and services to be requested. Trillion provides you with suggestions so that nothing slips through the cracks regarding getting the e-rate process to guarantee funding. They state that all you have to do is select, confirm contract and file the Form 471's, and you'll be set.

- E-mail correspondence provided by Trillion dated December 10, 2007 indicates that they are setting up a conference call to discuss the Trillion, WAN design. In FY2008, the referenced Form 470 # 586640000660709 for WAN circuits was posted on January 8, 2008.
- E-mail correspondence provided by Trillion dated June 1, 2007, August 23, 2007 and March 19, 2008 discuss a good faith estimate for an IP Centrex solution and the Trillion Shortel Solution. The correspondence took place prior to the posting on the VoIP Form 470 on December 19, 2008.
- In the e-mail correspondence provided by Trillion dated September 23, 2008 you state that at the meeting with Trillion you will discuss including a Year 10 contract renewal or a Year 11 new contract option (e-rate approval risk).

A copy of these e-mail exchanges are attached for your review. These e-mail exchanges suggest that it was pre-determined that Siatech would enter into a new contract with Trillion prior to the Form 470 being posted and prior to the 28 competitive bidding window. It also suggests that Trillion was intimately involved in developing the specifications you would seek on your Form 470 and perhaps was involved in the drafting of the language to be used in the Form 470. Please review these e-mails and explain in detail why these discussions took place prior to the submission of the Form 470. Please indicate if Trillion was involved in the development of the specifications sought on the Form 470 and subsequent contracts awarded to Trillion. Please indicate if you intended to entertain bids and have a fair and open competitive bidding process or if the Consortium intended to select Trillion for this new contract without use of a fair and open competition. Please provide detailed support for your responses, including any supporting documentation you can provide.

All of the email exchanges referenced above have been reviewed. Each bullet point referencing email is repeated below with a response to each individually. At the end, there is a response to the questions posed in the last paragraph above.

- E-mail correspondence that you provided shows that on January 19, 2006 Trillion states that they would like to respond to the Form 470 but WAN services are not listed. They ask you if you will be requiring WAN services, and if so, then, please file another Form 470 so that they can respond.

This email was received by me four and a half years ago. I do not at this time have a clear recollection of the events taking place at that time or of this email. The email indicates that a Form 470 was issued without a reference to LAN services.

- E-mail correspondence that you provided shows that there was a discussion with Trillion on January 8, 2008 regarding the issuance of the Form 470's, RFP's, and services to be requested. Trillion provides you with suggestions so that nothing slips through the cracks regarding getting the e-rate process to guarantee funding. They state that all you have to do is select, confirm contract and file the Form 471's, and you'll be set.

I have reviewed the referenced emails of January 8, 2008 and recollect that Trillion observed during their review of the SIATech Form 470 that I had checked the service box on the form for "Internet Access" as opposed to "Telecommunications Services." On multiple occasions in my history of filing Form 470's, I have been unsure what category of service is correct for our Priority 1 WAN services. In this email, Trillion is pointing

out that the WAN services are more appropriately categorized in "Telecommunications Services."

Trillion was at the time our WAN services vendor and in a prior year we had a contract with Trillion denied by USAC for rule violations related to the filing of a Form 470. The comments made by Trillion were to make sure that I understood the correct procedural steps in the Form 470 filing process to avoid any further rule violations on my part. None of the information in these emails was related to the service requests within the Form 470's, RFP's, or Vendor evaluation/selections nor did they in any way influence the vendor selection process.

- E-mail correspondence provided by Trillion dated December 10, 2007 indicates that they are setting up a conference call to discuss the Trillion, WAN design. In FY2008, the referenced Form 470 # 586640000660709 for WAN circuits was posted on January 8, 2008.

I do not find this specific email in the set of backup documentation that was sent with this inquiry letter and I do not recall this email or conference call. However, SIATech has had ongoing technical discussions with Trillion concerning LAN performance issues as they were (and are) our LAN service provider. These discussions covered a range of topics which were oriented to making sure that the LAN architecture and implementation (including LAN design) were working as anticipated. These discussions were not held to plan or influence the issuance of future Form 470's.

- E-mail correspondence provided by Trillion dated June 1, 2007, August 23, 2007 and March 19, 2008 discuss a good faith estimate for an IP Centrex solution and the Trillion Shortel Solution. The correspondence took place prior to the posting on the VoIP Form 470 on December 19, 2008.

SIATech considered implementing a VoIP system in FY2008. We have since decided not to implement a VoIP system for SIATech. This application will be cancelled under a separate letter to USAC.

- In the e-mail correspondence provided by Trillion dated September 23, 2008 you state that at the meeting with Trillion you will discuss including a Year 10 contract renewal or a Year 11 new contract option (e-rate approval risk).

The background surrounding this is complicated and may take a verbal discussion to explain in detail. I will do my best to describe in writing what was involved with this email. For reference purposes, my use of "Year 10" and "Year 11" in the email refers to E-Rate funding years 2007 and 2008 respectively.

As of the date of this meeting, SIATech had two applications pending with USAC for WAN services with Trillion for FY2008. Both applications were to provide WAN services to SIATech schools and we intended seek funding under only one of the applications. We were in a situation where we felt we had to submit two applications for the same services in FY2008 because when the filing window occurred for that year (ending in February of 2008) we had not yet received a USAC approval or denial decision on the WAN application we had submitted for FY2007. The FY2007

application for WAN services (Form 471 # 584060) was with Trillion and was for a multi-year contract.

In FY2006, a similar contract for WAN services had been denied by USAC due to alleged errors in the filing process. Because of this denial, SIATech was concerned that the FY2007 WAN contract could also be rejected by USAC for procedural errors. This concern was not resolved until April 22, 2008 when USAC issued an FCDL for FY2007 WAN services (note that this approval was not received by SIATech until near the end of the 10th month in FY2007 and well beyond the filing window for FY2008).

During the application filing period for FY2008, the WAN services application and contract for FY2007 had not yet been approved or denied by USAC (see preceding paragraph). Fearing that a denial of the FY2007 contract would invalidate a Form 471 filed in FY2008 for the continuation of this contract, SIATech made the decision to issue a new Form 470 for WAN services to begin in FY2008. Thus, two applications for SIATech WAN services were submitted to USAC during the FY2008 filing window.

As of the meeting on September 23, 2008, SIATech had received approval of the FY2007 WAN services application (see FCDL dated April 22, 2008). We had not, however, as of 9/23/2008 received an approval or denial notification for either of the two WAN services applications filed for FY2008.

For this reason, the September 23, 2008 meeting was held with Trillion to discuss the status of these two pending applications and discuss when we might have a USAC approval/denial decision and how to proceed based on the outcome.

Because the meeting occurred in September of 2008, it was held during FY2008 (what I referred to in the email as Year 11) not before or within the FY2008 filing window. Thus, all of the discussions in this meeting focused on the status of active FY2008 applications and contracts not future planning for application submissions in FY2009 or beyond.

- In the e-mail correspondence provided by Trillion dated September 16, 2008, Joanne Motz, SIATech, Exhibit/Sponsor Manager, SIATech invites Trillion to either be a sponsor or contribute to a teacher's raffle prize at the Annual Reaching At Promise Students National Conference. Please provide further detail regarding the conference. Indicate if any individuals from Trillion attended the conference and include their name. If they did attend please indicate whether SIATech paid for, or reimbursed for the cost of the trip, were gifts offered (raffle prizes) and/or received, and what was discussed at the conference. Finally, please explain the role each of those individuals (if any attended the conference) played in any competitive bidding processes that involved Trillion, such as determining the services to be listed on the Form 470, creating the specifications for the bid, participating the vendor selection process, making the final vendor selection decision, or signing the contracts.

For the past four years, SIATech and NEWCorp have sponsored a conference called "Reaching at-Promise Students Annual Conference." Both organizations are non-profits and we have annually solicited charitable donations to help defer the costs of the conference. Along with most of our large service vendors, Trillion was sent an email asking if they would make a donation to support the conference. Our records show that

7/28/2010 NEWCorp RESPONSE TO USAC

**New Education for the Workplace
Memorandum**

To: Jane Giancamillo

From: Tom Halfaker

Email: lgianca@sl.universalservice.org **Date:** 7/28/2010

Re: E-Rate application #'s 635394, 635691, 636203, 636585, 694279, 694690, 728420, 733636

Ms. Giancamillo,

This is in response to your letter of June 3, 2010 requesting additional information for the E-Rate application numbers listed above for the NEWCorp consortium (BEN # 228867).

In responding to your request, I have copied in the text of your questions below. Following each of your questions is my response.

We are in the process of reviewing your funding requests with Trillion Partners, Inc. to ensure that they are, in compliance with the rules of the Universal Service program. You provided e-mail responses to our request for information concerning Trillion Partners. I have some follow-up questions in relation to your response and the documentation that has been provided by Trillion Partners, Inc. Please address each of the questions below:

- In FY2007, fm's 1618918, 1618542 & 1618798 and FY2008, fm's 1760604, 1761900 & 1762029 you are requesting WAN circuits. The referenced Form 470 #447870000621382 indicates in the Applicant's Form Identifier "NC YR10 Trill". Please explain why you used Trill in the Applicant's Form Identifier.

In FY2006, NEWCorp signed four contracts with and implemented a Wide Area Network with Trillion Partners being the service provider. From that point in time, we internally referred to the WAN as the "Trillion WAN" so as to distinguish it from the WAN provided by our former service provider. The 470 application forms allow for an internal "Applicant Form Identifier" which we can use at NEWCorp to identify the type of application represented by the 470. For this reason, "Trill" was included in this identifier to allow us internally to easily identify the application as being WAN related. The identifier was not used to signify that Trillion was to be awarded the contract. Attached you will find a copy of the contracts for WAN services between NEWCorp and Trillion Partners for FY2006.

The paragraphs below deal with emails between Trillion and NEWCorp:

- E-mail correspondence that you provided shows that on January 19, 2006 Trillion states that they would like to respond to the Form 470 but WAN services are not listed. They ask you if you will be requiring WAN services, and if so, then, please file another Form 470 so that they can respond.
- E-mail correspondence that you provided shows that there was a discussion with Trillion on January 8, 2008 regarding the issuance of the Form 470's, RFP's, and services to be requested. Trillion provides you with suggestions so that nothing slips through the cracks regarding getting the e-rate process to guarantee funding. They state that all you have to do is select, confirm contract and file the Form 471's, and you'll be set.

A copy of these e-mail exchanges are attached for your review. These e-mail exchanges suggest that it was pre-determined that Slatech would enter into a new contract with Trillion prior to the Form 470 being posted and prior to the 28 competitive bidding window. It also suggests that Trillion was intimately involved in developing the specifications you would seek on your Form 470 and perhaps was involved in the drafting of the language to be used in the Form 470. Please review these e-mails and explain in detail why these discussions took place prior to the submission of the Form 470. Please indicate if Trillion was involved in the development of the specifications sought on the Form 470 and subsequent contracts awarded to Trillion. Please indicate if you intended to entertain bids and have a fair and open competitive bidding process or if the Consortium intended to select Trillion for this new contract without use of a fair and open competition. Please provide detailed support for your responses, including any supporting documentation you can provide.

All of the email exchanges referenced above have been reviewed. Each bullet point referencing email is repeated below with a response to each individually. At the end, there is a response to the questions posed in the last paragraph above.

- E-mail correspondence that you provided shows that on January 19, 2006 Trillion states that they would like to respond to the Form 470 but WAN services are not listed. They ask you if you will be requiring WAN services, and if so, then, please file another Form 470 so that they can respond.

This email was received by me four and a half years ago. I do not at this time have a clear recollection of the events taking place at that time or of this email. The email indicates that a Form 470 was issued without a reference to LAN services.

- E-mail correspondence that you provided shows that there was a discussion with Trillion on January 8, 2008 regarding the issuance of the Form 470's, RFP's, and services to be requested. Trillion provides you with suggestions so that nothing slips through the cracks regarding getting the e-rate process to guarantee funding. They state that all you have to do is select, confirm contract and file the Form 471's, and you'll be set.

I have reviewed the referenced emails of January 8, 2008 and recollect that Trillion observed during their review of the NEWCorp Form 470 that I had checked the service box on the form for "Internet Access" as opposed to "Telecommunications Services." On multiple occasions in my history of filing Form 470's, I have been unsure what category of service is correct for our Priority 1 WAN services. In this email, Trillion is pointing

out that the WAN services are more appropriately categorized in "Telecommunications Services."

Trillion was at the time our WAN services vendor and in a prior year we had a contract with Trillion denied by USAC for rule violations related to the filing of a Form 470. The comments made by Trillion were to make sure that I understood the correct procedural steps in the Form 470 filing process to avoid any further rule violations on my part. None of the information in these emails was related to the service requests within the Form 470's, RFP's, or Vendor evaluation/selections nor did they in any way influence the vendor selection process.

- In the e-mail communication that was provided to USAC by Trillion, there are references to an invitation to attend Trillion's Customer Council meeting in FY2007. These e-mails dated June 8, 2007 through June 13, 2007 indicate that you were invited to the Customer Council but could not make it. You suggested that David Davis be invited. Please provide further detail regarding the customer conference. Indicate if any individuals from your organization attended the Customer Council and include their name. If they did attend please indicate whether Trillion paid for, or reimbursed for the cost of the trip, were gifts offered and/or received, and what was discussed at the meetings. Finally, please explain the role each of those individuals (if any attended the council) played in any competitive bidding processes that involved Trillion, such as determining the services to be listed on the Form 470, creating the specifications for the bid, participating the vendor selection process, making the final vendor selection decision, or signing the contracts.

As per the referenced emails, I was invited to the Trillion Customer Council Meeting in 2007 and requested that instead the invitation go to David Davis. Neither of us attended the meeting nor did anyone representing SIATech or NEWCorp. Neither organization has ever had a representative attend or participate in any way in a Trillion Customer Council Meeting.

Below is the final paragraph of the inquiry. The response follows.

A copy of these e-mail exchanges are attached for your review. These e-mail exchanges suggest that it was pre-determined that NEWCorp would enter into a new contract with Trillion prior to the Form 470 being posted and prior to the 28 competitive bidding window. It also suggests that Trillion was intimately involved in developing the specifications you would seek on your Form 470 and perhaps was involved in the drafting of the language to be used in the Form 470. Please review these e-mails and explain in detail why these discussions took place prior to the submission of the Form 470. Please indicate if Trillion was involved in the development of the specifications sought on the Form 470 and subsequent contracts awarded to Trillion. Please indicate if you intended to entertain bids and have a fair and open competitive bidding process or if the Consortium intended to select Trillion for this new contract without use of a fair and open competition. Please provide detailed support for your responses, including any supporting documentation you can provide.

Based on the explanations provided above, NEWCorp submits that the email exchanges do not in fact indicate or suggest that it was "pre-determined that SIATech would enter into a new contract with Trillion prior to the Form 470 being posted and prior to the 28 competitive bidding window." NEWCorp also disputes (based on the explanations above) that there is anything in these emails that "suggests that Trillion was intimately involved in developing the

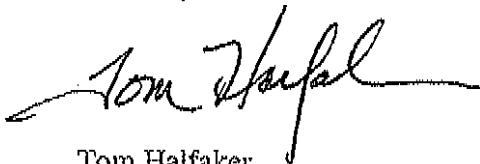
specifications you would seek on your Form 470 and perhaps was involved in the drafting of the language to be used in the Form 470."

Trillion was not at any time involved in the development of the specifications sought on any Form 470's and related RFP's submitted in the past by NEWCorp (nor will they be in the future). In all of its years of E-Rate program participation, NEWCorp has always maintained a fair and open bidding process for program-funded services.

NEWCorp would also add to this response that it has put forth extensive and best faith efforts in attempting to understand and comply with E-Rate program rules. This includes following all USAC published rules, guidelines, and procedures including following open competition rules; establishing and maintaining process documentation; responding to PIA inquiries; meeting the information requests of Selective Reviews; and supporting the discovery and documentation needs of a program site audit conducted by the USAC-contracted auditor KPMG in early 2009.

This concludes the NEWCorp response to this inquiry. Please let me know if you need further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Halfaker", with a long horizontal flourish extending to the right.

Tom Halfaker
Authorized Signatory
NEWCorp E-Rate Consortium

EXHIBIT G

EXHIBIT G



Universal Service Administrative Company

Schools and Libraries Division

Date: September 9, 2010

Tom Halfaker

Siatech

760-945-1995

Application Number(s) 584060, 635031, 635283, 686078, 695002 & 728534

FRN Number(s) 1619254, 1756542, 1757276, 1877489, 1908360 & 1971060

Response Due Date: September 16, 2010

Based on the documentation that has been provided to USAC, the entire FRNs listed above will be denied because Siatech did not conduct a fair and open competitive bidding process. The Forms 470 associated with all the FRNs listed above, were posted on 1/10/2007, 1/8/2008 and 12/19/2008 with Allowable Contract Dates of 2/7/2007, 2/5/2008 and 1/16/2009. The documentation indicates that Tom Halfaker, David Davis and Joanne Motz engaged in numerous e-mail discussions with Trillion employees beginning in January 2006 through the award of the multi-year contracts to Trillion in February 2007, February 2008 and February 2009. These discussions were not general marketing discussions, but rather show that you provided Trillion with inside information regarding your needs and details about their procurement process, that Trillion influenced the procurement process by providing input into your Request for Proposal (RFP) and FCC Form 470 to ensure that Trillion would be awarded the contract.

FCC rules require applicants to conduct a fair and open competitive bidding process free from conflicts of interest. See *Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, El Paso, Texas, et al, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, SLD Nos. 321479, 317242, 317016, 311465, 317452, 315362, 309005, 317363, 314879, 305340, 315578, 318522, 315678, 306050, 331487, 320461, CC Docket Nos. 96-45, 97-21, Order, 19 FCC Rcd 6858, ¶ 60 (2003) ("Ysleta Order"); See also *Request for Review of Decisions of the Universal Service Administrator by MasterMind Internet Services, Inc., Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Order, 16 FCC Rcd 4028-4032-33, ¶ 10 (2000); *Request for Review of Decisions of the Universal Service Administrator by SEND Technologies LLC, Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Order, DA 07-1270 (2007); *Request for Review of Decisions of the Universal Service Administrator by Caldwell Parish School District, et al., Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Order, DA 08-449 (2008)(Caldwell Parish). Applicants cannot reveal to one prospective service provider information they do not provide to all. See Caldwell Parish, ¶ 16. Service providers are prohibited from filling out forms that require an applicant's signature and the 470 must be complete by the entity that will negotiate with prospective service providers. See Caldwell Parish, ¶ 17.

If you fail to respond to this e-mail within 7 days, we will perform the action(s) listed above

Thank you for your cooperation and continued support of the Universal Service Program.

Jane Giancamillo

Program Integrity Assurance

USAC, Schools and Libraries Division

Phone: 973-581-5101

Fax: 973-599-6515

E-mail: jgianca@sl.universalservice.org



Schools and Libraries Division

Date: September 9, 2010

Tom Halfaker
New Corp
760-945-1995

Application Numbers: 584000, 583858, 583950, 635394, 635691, 636203, 636585, 636634, 694279, 694690, 728420 & 733636

FRN Numbers: 1618918, 1618542, 1618798, 1762029, 1760604, 1761900, 1758857, 1758915, 1758160, 1758214, 1758290, 1758786, 1907687, 1907614, 1905905, 1905998, 1907658, 1905746, 1970878, 1970898, 1970863, 1984041, 1983953 & 1984051

Response Due Date: September 16, 2010

Based on the documentation that has been provided to USAC, the entire FRNs listed above will be denied because NewCorp did not conduct a fair and open competitive bidding process. The Forms 470 associated with all the FRNs listed above, were posted on 1/10/2007, 12/20/2007 and 1/8/2008 with Allowable Contract Dates of 2/7/2007, 1/17/2008 and 2/5/2008. The documentation indicates that Tom Halfaker engaged in numerous e-mail discussions with Trillion employees beginning in January 2006 through the award of the multi-year contracts to Trillion in February 2007 and February 2008. These discussions were not general marketing discussions, but rather show that you provided Trillion with inside information regarding your needs and details about their procurement process, that Trillion influenced the procurement process by providing input into your Request for Proposal (RFP) and FCC Form 470 to ensure that Trillion would be awarded the contract.

FCC rules require applicants to conduct a fair and open competitive bidding process free from conflicts of interest. *See Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, El Paso, Texas, et al, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., SLD Nos. 321479, 317242, 317016, 311465, 317452, 315362, 309005, 317363, 314879, 305340, 315578, 318522, 315678, 306050, 331487, 320461, CC Docket Nos. 96-45, 97-21, Order, 19 FCC Rcd 6858, ¶ 60 (2003) ("Ysleta Order"); See also Request for Review of Decisions of the Universal Service Administrator by MasterMind Internet Services, Inc., Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Order, 16 FCC Rcd 4028-4032-33, ¶ 10 (2000); Request for Review of Decisions of the Universal Service Administrator by SEND Technologies LLC, Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, Order, DA 07-1270 (2007); Request for Review of Decisions of the Universal Service Administrator by Caldwell Parish School District, et al., Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, Order, DA 08-449 (2008)(Caldwell Parish).* Applicants cannot reveal to one prospective service provider information they do not provide to all. *See Caldwell Parish, ¶ 16.* Service providers are prohibited from filling out forms that require an applicant's signature and the 470 must be complete by the entity that will negotiate with prospective service providers. *See Caldwell Parish, ¶ 17.*

If you fail to respond to this e-mail within 7 days, we will perform the action(s) listed above

Thank you for your cooperation and continued support of the Universal Service Program.

Jane Giancamillo
Program Integrity Assurance
USAC, Schools and Libraries Division
Phone: 973-581-5101
Fax: 973-599-6515
E-mail: jgianca@sl.universalservice.org

EXHIBIT H

EXHIBIT H



Universal Service Administrative Company

Schools and Libraries Division

Date: September 15, 2010

Tom Halfaker
Siatech
760-945-1995
Application Number(s) 584060 & 635031
FRN Number(s) 1619254 & 1756542

Response Due Date: September 22, 2010

Based on the documentation that you have provided, the entire FRN's 1619254 & 1756542 will be denied because you did not conduct a fair and open competitive bid process free from conflicts of interest. The documentation you provided indicates that you were offered and accepted valuable meals immediately prior to and/or during the process you conducted to select a service to provide these goods and services from the service provider you selected. These meals show that you engaged in non-competitive bidding practices in violation of program rules. For additional guidance regarding the competitive bidding process, please refer to the USAC website at: <http://www.usac.org/sl/applicants/step03/run-open-fair-competition.aspx>.

If you fail to respond to this e-mail within 7 days, we will perform the action(s) listed above

Thank you for your cooperation and continued support of the Universal Service Program.

Jane Giancamillo
Program Integrity Assurance
USAC, Schools and Libraries Division
Phone: 973-581-5101
Fax: 973-599-6515
E-mail: jgianca@sl.universalservice.org

EXHIBIT I

EXHIBIT I



Real Learning for Real Life®

September 28, 2010

Jane Giancamillo
Program Integrity Assurance
USAC, Schools and Libraries Division
Correspondence Unit
30 Lanidex Plaza West
PO Box 685
Parsippany, NJ 07054-0685

Dear Ms. Giancamillo,

Your two letters of September 9, 2010 and single letter of September 15, 2010 to Tom Halfaker (see attached) were forwarded to me for review and response. I have been monitoring the communication between Mr. Halfaker and USAC over the questions raised by USAC about the contracting actions of SIATech and NEWCorp for our Wide Area Network (WAN) and Voice over Internet Protocol (VoIP) phone service. Given the statements in your letters that USAC is prepared to deny E-Rate funding support for our WAN and VoIP services, I feel that I need to respond personally to this issue.

To begin my response I would like to emphasize that SIATech and NEWCorp strongly disagree with the conclusions being reached by USAC and will vigorously defend against any ruling to disallow E-Rate funding support for our WAN and VoIP services. This letter is being copied to Mr. Barash who we feel should be aware of this issue and the history of actions and responses undertaken by USAC, and by SIATech and NEWCorp.

I will start by providing some background on our schools and the students we serve. SIATech is a consortium for E-Rate purposes which represents seven school sites in California. The School for Integrated Academics and Technologies (SIATech) is a state accredited public charter high school with seven campus locations in California. All of these campuses are located on Job Corps sites. Job Corps is a federally program funded through the Department of Labor which provides vocational training to high school aged youth and young adults. SIATech schools at Job Corps serve a student population drawn entirely from households below the federally-defined poverty line. We are very proud to have graduated over 10,000 students from our nationwide school network - all of whom are former dropouts.

SIATech, Inc.
2611 Temple Heights Dr., Suite A
Oceanside, CA 92056
Phone: 760.945.1227
Fax: 760.631.3411

NEWCorp is a not-for-profit entity closely affiliated with SIATech. The purpose of NEWCorp is to replicate the SIATech school model with public charter schools in states outside California. At present there are seven additional, fully accredited SIATech schools operating under NEWCorp and submitting E-Rate funding requests as members of the NEWCorp consortium. Regardless of location, all of our schools use the SIATech name and all use the same teaching methods, curriculum, and technology infrastructure. SIATech and NEWCorp share many administrative services (including information technology.)

SIATech schools offer an award-winning program tailored to the unique needs of our student population. A key feature of the program is our ability to provide an individual curriculum and learning plan for each of our students. This is largely facilitated by the use of online courseware which forms the core of our curriculum. This online curriculum is in turn dependent upon and supported by a high-speed WAN with node locations at each campus.

We have developed this curriculum internally over the past eight years and call it the ConTech Curriculum (for Contextual Learning/Technology). The design and implementation of the curriculum has taken full advantage of workstation, server, and WAN technology to allow central development and management of the curriculum with direct online access available to all of our students. The E-Rate program has provided tremendous support for this design and implementation by providing a subsidy for our network costs over the years. Without this support, it is unlikely that we could have developed this approach to curriculum delivery on which our program depends. For this reason, we are very grateful for the existence of the E-Rate program and the support it provides for our schools and our students.

We are very concerned that current USAC actions threaten to cancel the E-Rate subsidy for our WAN; not just for the current funding year, but retroactively for a total of four years. The total value of this subsidy over that four year period is \$1,806,482 for SIATech and an additional \$1,405,022 for NEWCorp. Were these amounts to ultimately become the responsibility of each organization, the financial impact would likely bankrupt both.

With this background provided about SIATech and NEWCorp, I will attempt to provide additional information on the subject of your letters and pose questions about the issues being raised by USAC and the potential disallowance of our WAN and VoIP E-Rate subsidies. The statement being made by USAC in your most recent letters is that SIATech and NEWCorp engaged in communications with Trillion which gave them an unfair advantage in awarding of WAN contracts.

As part of this response, I am attaching the first set of two letters we received from Mel Blackwell of USAC addressing this matter in June of 2009 and the second set we received from you on behalf of USAC in June of 2010, along with Mr. Halfaker's responses to all of these requests. Both sets of letters requested information and

clarification from SIATech and NEWCorp about our WAN and VoIP contracting and specifically about our interactions with Trillion as part of this process. The June 2009 and June 2010 information requests by USAC combined with your recent letters of September 9 and 15, 2010 (referenced above and attached) indicate that USAC is concluding that SIATech and NEWCorp did not conduct a fair and open bidding and vendor selection process for our WAN and VoIP services. As I indicated previously, we strongly believe that all of our E-Rate vendor selections have been open and fair and we present the following additional information and questions for consideration in this matter.

Focus of this response

At the outset, we would like to set the scope of this response on a subset of the applications being referenced your recent letters. The full set of Applications and Funding Request Numbers (FRN's) referenced in your recent letters and subject to potential denial are as follows:

SIATech

Appl. Number	Description	Associated FRN's	Current Status
584060	WAN Services FY 2007	1619254	Funded
635031	WAN Services FY 2008	1756542	Cancel
635283	WAN Services FY 2008	1757276	Funded
686078	WAN Services FY 2009	1877489	Active
695002	Managed VoIP FY 2009	1908360	Cancel
728534	WAN Services FY 2010	1971060	Active

NEWCorp

Appl. Number	Description	Associated FRN's	Current Status
584000	WAN Services - AZ FY 2007	1618918	Funded
583858	WAN Services - FL FY 2007	1618542	Funded
583950	WAN Services - NM FY 2007	1618798	Funded
635394	WAN Services - NC FY 2008	1758160 1758214 1758290	Funded

635691	VoIP Services - NC FY 2008	1758786 1758857 1758915	Active
636203	WAN Services - FL FY 2008	1760604	Cancel
636585	WAN Services - AZ FY 2008	1761900	Cancel
636634	WAN Services - NM FY 2008	1762029	Cancel
694279	VoIP Services - NC FY 2009	1905746 1905905 1905998	Active
694690	WAN Services - NC FY 2009	1907614 1907658 1907687	Active
728420	WAN Services - NC FY 2010	1970863 1970878 1970898	Active
733636	VoIP Services - NC FY 2010	1983953 1984041 1984051	Active

You will see in the charts above that five of the applications have a notation that they should be cancelled. A second set of 471 WAN applications were filed for FY 2008 as alternatives for Form 471 filings made in the same funding year to continue a WAN contract entered into in FY 2007. An alternative application was required due to the fact that at the time we submitted funding requests for FY 2008 USAC had not yet approved or denied funding requests for FY 2007. With the possibility that our FY 2007 contract could be nullified by a USAC funding denial for that funding year, the alternative application would reestablish E-Rate WAN funding in FY 2008. We only intended to pursue funding under one of the WAN funding applications, with the others being cancelled. The single VoIP request for SIATech in FY 2009 should be cancelled due to the fact that the project was postponed. No funds have ever been disbursed by USAC for any of the applications marked to be cancelled in the tables above.

Fair and open bidding process

The letters from USAC (referenced above and attached) that we have received over the past two years indicate that USAC questions whether or not SIATech and NEWCorp conducted fair and open bidding for the applications listed in the tables above. We offer the following information to demonstrate that in fact, the bidding and contracting processes conducted by SIATech and NEWCorp were fair and open.

In E-Rate FY 2007, SIATech and NEWCorp issued RFP's for an upgrade of our WAN. The process of bidding and contract award for FY 2007 was conducted in full accordance with E-Rate program rules. An external audit review of the bidding/contract award process for FY 2007 is provided below in the section titled "Audit Findings."

In FY 2008, both organizations issued RFP's and Form 470's for WAN services. Three vendors responded to the SIATech RFP and two responded to the NEWCorp RFP. For SIATech, all three bids were thoroughly reviewed and scored against the ranking criteria specified in the RFP. The same process was applied to the two NEWCorp bids. The outcome was that Trillion Partners scored the highest in the rankings and was selected as the vendor for SIATech's and NEWCorp's WAN's. For the NEWCorp VoIP services, Trillion was the only bidder to provide these services in FY 2008.

For FY's 2009 and 2010, no bidding was necessary for submission of Form 471 Applications for E-Rate funding as the contracts awarded in FY 2008 were for a five-year period. E-Rate program rules allow for multi-year contracts to be awarded without the need for annual bidding.

In each case when RFP's were issued (FY's 2007 and 2008), the bidding process was completely open and none of the vendors (including Trillion) were provided with any "inside" information about the selection process. Nor were any of the vendors given any form of preferential treatment in the bidding process. The selection criteria were articulated in each RFP, were objective, and were followed in the vendor selection process. The processes and procedures followed all of the published USAC rules for E-Rate service acquisition.

Audit findings

In January of 2009, under the direction of the FCC Office of the Inspector General, a team from KPMG conducted an onsite audit of all FY 2008 E-Rate program disbursements to SIATech. This involved two auditors being onsite at our administrative offices full-time for three weeks and a third individual supervising the audit with multiple onsite visits. After their departure, the auditors continued the review at their offices for an unknown period of additional time. The final audit report (attached) shows that the KPMG auditors did a full review of all of the E-Rate vendor selection procedures used by SIATech in Fiscal Years 2006 and 2007 and found SIATech to be in compliance with E-Rate program regulations.

Specifically, the audit report states: "In our opinion, except for the material noncompliance described in the third paragraph, SIATech complied in all material respects, with the aforementioned requirements relative to disbursements of \$785,493 made from the Universal Service Fund during the fiscal year ended June 30, 2008 and relative to its application process for Funding Year 2006 and 2007 applications for funding and service provider selections related to the Funding Request Numbers for which such disbursements were made." Please note the auditors' specific mention of "service provider selections."

The nature of the material noncompliance referenced by the auditors can be found in the attached audit report. It did not involve any aspect of the service provider selection

process. On March 10, 2010, USAC issued a management response letter (see attached) to SIATech covering the findings of the audit. A review of this response letter will show that no additional questions were raised by USAC relative to the audit findings or service provider selections.

Use of E-Rate Consultants

A review of information available on the internet (see attached complaint filed by the Arizona Attorney General against Tucson Unified School District and related parties) indicates that at least one of the investigations conducted by USAC of service contracting with Trillion involved allegations of rule violations by an external E-Rate consultant in the vendor selection process. It should be noted that SIATech and NEWCorp do not, nor have they in the past used any external consulting firms for any activities related to the E-Rate program.

Further Information and Questions

1. The letters we received from you on September 9, 2010 and September 15, 2010 state that USAC believes SIATech and NEWCorp favored Trillion in the service provider selection process in violation of E-Rate program rules.

In the USAC requests for information letters of June 2009, there are questions related to Trillion paying our employees for inappropriate travel and meals, or providing gifts. We have conducted an internal investigation on this question and have found no evidence of any employee of SIATech or NEWCorp having accepted inappropriate travel expenses, meals, or gifts from Trillion or any other vendor. Nor have we found that Trillion provided any type of incentive, financial or otherwise, to either organizational entity as an inducement to give them preferential treatment.

In addition, we strongly disagree with the statements made in your letter of September 15, 2010 to Mr. Halfaker: "The documentation you provided indicates that you were offered and accepted valuable meals immediately prior to and/or during the process you conducted to select a service to provide these goods and services from the service provider you selected. These meals show that you engaged in non-competitive bidding practices in violation of program rules."

Clearly, Mr. Halfaker and other staff members have had meetings (some including lunch) with representatives of Trillion at various times over the past four years. Trillion has been a supplier (of e-Rate eligible and non-E-Rate eligible goods and services) to SIATech and NEWCorp since 2005. We believe it is a good business practice to have periodic face-to-face meetings with our vendors. When these meetings occur, it does not violate our conflict-of-interest policies for the vendor to pay for a reasonable business lunch. We have had a Board of Directors approved conflict-of-interest policy in place since we began participating in the E-Rate program

(see attached). In addition, all of our administrators are required annually to complete and submit a State of California Form 700 which details any relationships which might indicate the existence of a conflict of interest.

Based on the data provided by USAC, there were three lunches specifically referenced in your letter of September 15, 2010 which occurred in December of 2007 and January of 2008 and involved our employee Mr. Halfaker and on one occasion, our employee Mr. David Davis. The value of these lunches is detailed in an earlier USAC letter to Mr. Halfaker dated June 4, 2010. This letter shows the following entries:

12/5/2007 - Lunch - \$8.03 each, 2 attendees
1/14/2008 - Lunch - \$18.81, one attendee
1/31/2008 - Lunch - \$8.57, one attendee

It is our opinion that these three lunches do not in any way represent a valuable inducement which would influence service provider selection decisions. We are also unable to find any published E-Rate program rule which prohibits accepting business meals from a vendor in the normal course of business.

Further, there is no evidence being provided by USAC which supports that we "engaged in non-competitive business practices in violation of program rules" in the course of discussing ongoing business during these lunches. Mr. Halfaker has previously responded to USAC that none of the meetings with Trillion (with or without meals) provided them with any information not available to all interested bidders working with SIATech and NEWCorp.

Would USAC please cite specific evidence that demonstrates how and when Trillion was given an unfair advantage in the vendor selection process?

We do not agree that three lunches with a total value of less than fifty dollars served to influence decisions on contracts valued at over \$700,000 per year.

2. Your letter of 9/9/2010 states: "... you provided Trillion with inside information regarding your needs and details about their procurement process."

In his responses dated July 28, 2010 (see attached), Mr. Halfaker responded extensively to the USAC information requests June 2010 questioning the procurements at issue. His response letters indicated that Trillion was not being provided inappropriate information nor received favored treatment in the vendor selection process. While providing these written responses, Mr. Halfaker also stated that the complexity of the issues could warrant engaging in a verbal dialog to augment any unclear or incomplete explanations.

We are experiencing frustration as I respond with this letter, because we have had no response from USAC which specifically addresses the explanations provided by

Mr. Halfaker in his prior response letters. Instead, we have been asked to provide additional explanation (also via written response) with no reference to what was lacking in the explanations previously submitted to USAC. We would benefit from understanding why USAC is apparently rejecting prior explanations which detail the steps we took to adhere to program rules.

3. Historical reviews of SIATech and NEWCorp funding requests by USAC have confirmed that E-Rate funds requested by our schools are being used for allowable services.

A major goal of the E-Rate program has been to promote the use of telephony and data transmission in support of public schools and libraries, especially in service of economically disadvantaged youth. Providing an opportunity to finish high school for poverty-level dropouts is the fundamental mission of SIATech and NEWCorp.

The procurement processes being questioned by USAC have previously been subjected to multiple USAC reviews with no prior indication of program rule violation. All of the Form 470 and related Form 471 Applications in question have been subjected to Program Integrity Assurance (PIA) review by USAC. Many have also been identified for and have passed the more rigorous Selective Review performed on some applications by USAC. Finally, SIATech was subject to an onsite field audit commissioned by the FCC Office of the Inspector General that took place in January of 2009. All of these reviews found that the nature of the services: Wide Area Network (WAN) and Voice over Internet Phones (VoIP) were within the scope of E-Rate program support, were properly contracted, and were provided at reasonable costs. Thus, the E-Rate funding being questioned by USAC was historically, and will in the future be used by SIATech and NEWCorp for appropriate program purposes at allowable costs.

What material facts is USAC relying upon to determine there has been a misuse of E-Rate program funding by SIATech or NEWCorp that would justify a denial of funding?

I will close this response letter by commenting on the last sentence of all of the letters you have sent us in this matter. It says: "Thank you for your cooperation and continued support of the Universal Service Program."

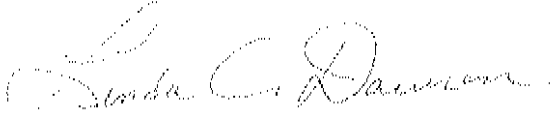
Over the years, SIATech and NEWCorp have cooperated fully and completely with USAC, submitting all of the required forms and following program rules. We have also been complete and timely in responding to the many requests for information we receive from USAC during each funding year. We do strongly support the FCC's Universal Service Program under which E-Rate operates and believe it allows schools like ours to serve students in ways we could otherwise not afford.

We are greatly dismayed that USAC is considering a denial of current and previously approved E-Rate funding for our schools and the students we serve. The financial

impact of such an action would jeopardize our ability to reach the thousands of dropout students we can recover in the future.

Prior to rendering a final decision on this matter, we would appreciate USAC providing us with responses to the questions I have enumerated above (in italics). I would also welcome the opportunity for myself and other members of my staff to meet with USAC and/or FCC officials in person to further discuss this issue.

Sincerely,

A handwritten signature in cursive script, appearing to read "Linda C. Dawson".

Linda C. Dawson, Ed. D.
Superintendent/Chief Education Officer

cc: Mr. Scott Barash
Chief Executive Officer
Universal Service Administrative Company

EXHIBIT J

EXHIBIT J



Schools and Libraries Division

FUNDING COMMITMENT DECISION LETTER
(Funding Year 2010: 07/01/2010 - 06/30/2011)

October 12, 2010

Tom Halfaker
SIATECH INC.
217 ESCONDIDO AVENUE #7
VISTA, CA 92084

Re: Form 471 Application Number: 728534
Billed Entity Number (BEN): 16020467
Billed Entity FCC RN: 0013384730
Applicant's Form Identifier: ST-WN-2010

Thank you for your Funding Year 2010 application for Universal Service Support and for any assistance you provided throughout our review. The current status of the funding request(s) in the Form 471 application cited above and featured in the Funding Commitment Report(s) (Report) at the end of this letter is as follows.

- The amount, \$485,902.80 is "Denied."

Please refer to the Report following this letter for specific funding request decisions and explanations. The Universal Service Administrative Company (USAC) is also sending this information to your service provider(s) so preparations can begin for implementing your approved discount(s) after you file FCC Form 486, Receipt of Service Confirmation Form. A guide that provides a definition for each line of the Report is available in the Reference Area of our website.

NEXT STEPS

- Work with your service provider to determine if you will receive discounted bills or if you will request reimbursement from USAC after paying your bills in full
- Review technology planning approval requirements
- Review CIPA requirements
- File Form 486
- Invoice USAC using the Form 474 (service provider) or Form 472 (Billed Entity applicant) - as products and services are being delivered and billed

TO APPEAL THIS DECISION:

You have the option of filing an appeal with the SLD or directly with the Federal Communications Commission (FCC).

If you wish to appeal a decision in this letter to USAC, your appeal must be received by USAC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and (if available) email address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the letter and the decision you are appealing:
 - Appellant name,
 - Applicant name and service provider name, if different from appellant,
 - Applicant BEN and Service Provider Identification Number (SPIN),
 - Form 471 Application Number 728534 as assigned by USAC,
 - "Funding Commitment Decision Letter for Funding Year 2010," AND
 - The exact text or the decision that you are appealing.

3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.
4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to USAC by email, email your appeal to appeals@sl.universalservice.org. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to USAC by fax, fax your appeal to (973) 599-6542.

To submit your appeal to USAC on paper, send your appeal to:

Letter of Appeal
 Schools and Libraries Division - Correspondence Unit
 30 Lanidex Plaza West
 PO Box 685
 Parsippany, NJ 07054-0685

~~If you wish to appeal a decision in this letter to the FCC, you should refer to CC Document No. 02-8 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the Appeals Procedure posted in the Reference Area of our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.~~

OBLIGATION TO PAY NON-DISCOUNT PORTION

Applicants are required to pay the non-discount portion of the cost of the products and/or services to their service provider(s). Service providers are required to bill applicants for the non-discount portion. The FCC stated that requiring applicants to pay their share ensures efficiency and accountability in the program. If USAC is being billed via the FCC Form 474, the service provider must bill the applicant at the same time it bills USAC. If USAC is being billed via the FCC Form 472, the applicant pays the service provider in full (the non-discount plus discount portion) and then seeks reimbursement from USAC. If you are using a trade-in as part of your non-discount portion, please refer to our website for more information.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. USAC may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by USAC, the applicant, or the service provider. USAC, and other appropriate authorities (including but not limited to the FCC), may pursue enforcement actions and other means of recourse to collect improperly disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division
 Universal Service Administrative Company

FUNDING COMMITMENT REPORT
Billed Entity Name: SIATECH INC.
BEN: 16020467
Funding Year: 2010

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 728534
Funding Request Number: 1971060
Funding Status: Not Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 586640000660709
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: W-SA-010808-000959-5yr
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2010
Service End Date: N/A
Contract Award Date: 02/07/2008
Contract Expiration Date: 06/30/2013
Shared Worksheet Number: 1185939
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$539,892.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$539,892.00
Discount Percentage Approved by the USAC: 90%
Funding Commitment Decision: \$0.00 - Selective - Bidding Violation
Funding Commitment Decision Explanation: DR1: The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.

FCDL Date: 10/12/2010

Wave Number: 021

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011



Universal Service Administrative Company

Schools and Libraries Division

FUNDING COMMITMENT DECISION LETTER
(Funding Year 2010 - 07/01/2010 - 06/30/2011)

October 12, 2010

Tom Haffner
NEW CORP
217 ESCONDIDO AVE
VISTA CA 92084

Re: Form 471 Application Number: 728420
Billed Entity Number (BEN): 728867
Billed Entity FCC ID: 001388789
Applicant's Form Identification: NCHW-2010

Thank you for your Funding Year 2010 application for Universal Service Support and for any assistance you provided throughout our review. The current status of the funding Report(s) (Report) at the end of this letter is as follows:

The amount \$401,913.60 is denied.

Please refer to the Report following this letter for specific funding request decisions and explanations. The Universal Service Administrative Company (USAC) is also sending this information to your service provider(s) so preparations can begin for implementing your approved discount(s) after you file FCC Form 486, Receipt of Service, is available in the Reference Area of our website.

NEXT STEPS

- Work with your service provider to determine if you will receive discounted bills or if you will request reimbursement from USAC after paying your bills in full.
- Review technology planning approval requirements.
- Review OIR requirements.
- File Form 486.
- Invoice USAC using the Form 471 (Service Provider) or Form 472 (Billed Entity Applicant) as products and services are being delivered and billed.

TO APPEAL THIS DECISION:

You have the option of filing an appeal with the SLD or directly with the Federal Communications Commission (FCC).

If you wish to appeal a decision in this letter to USAC, your appeal must be received by USAC or postmarked within 60 days of the date of this letter. Failing to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and (if available) email address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the letter and the decision you are appealing:
 - Appellant name
 - Applicant name and service provider name, if different from appellant
 - Applicant BEN and Service Provider Identification Number (SPIN)
 - Form 471 Application Number 728420 as assigned by USAC
 - Funding Commitment Decision Letter for Funding Year 2010 AND
 - The exact text of the decision that you are appealing

3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.

4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.

5. Provide an authorized signature on your letter of appeal.

To submit your appeal to USAC by email, email your appeal to appeals@universal-service.org. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to USAC by fax, fax your appeal to (978) 599-6542.

To submit your appeal to USAC on paper, send your appeal to:

Letter of Appeal

Schools and Libraries Division - Correspondence Unit

30 Randolph Plaza West

PO Box 6095

Lawrence, MA 01904-0605

If you wish to appeal a decision in writing, letter to the FCC, you should refer to CD Docket No. 02-26 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or Consumer Watchdog 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the self-administered filing options described in the Appeals Procedure posted in the Resource Area of our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SE, Washington, DC 20554.

OBLIGATION TO PAY NON-DISCOUNT PORTION

Applicants are required to pay the non-discount portion of the cost of the products and/or services to their service provider(s). Service providers are required to bill applicants for the non-discount portion. This has resulted in a requirement for applicants to pay their share (consumer responsibility) and accountability in the program. USAC is pleased to inform you that, beginning 4/1/07, the service providers must bill the applicant at the same time it bills USAC. If USAC is billed with the FCC Form 472, the applicant pays the service provider in full (the non-discount plus discount portion) and then seeks reimbursement from USAC. If you are using a trade-in as part of your non-discount portion, please refer to our website for more information.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. USAC may be required to reduce or cancel funding commitments that were not used in accordance with such requirements, whether due to action or inaction, including, but not limited to, that by USAC, the applicant, or the service provider. USAC and other appropriate authorities (including, but not limited to the FCC) may pursue enforcement actions and other means of recourse to collect improperly disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division
Universal Service Administrative Company

FUNDING COMMITMENT REPORT
Billed Entity Name: NBN CORP
BEN: 228867
Funding Year: 2010

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 726420
Funding Request Number: 1970868
Funding Status: Not Funded
Category of Service: Telecommunications Services
Form 470 Application Number: 551910000460723
SPIN: 113025872
Service Provider Name: Trillion Partners, LLC
Contract Number: WESA-010308-0000950-5519
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2010
Service End Date: N/A
Contract Award Date: 02/07/2008
Contract Execution Date: 06/30/2011
Shared Worksheet Number: 11315773
Number of Months Requiring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Requiring Charges: \$119,976.00
Annual Pre-discount Amount for Eligible Non-requiring Charges: \$1.00
Pre-discount Amount: \$119,976.00
Discount Percentage Approved by the USAC: 90%
Funding Commitment Decision: 50.00% - Selective Bidding Violation
Funding Commitment Decision Explanation: DR1: The DRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was contacted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by FCC Form 470 or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.
FCC Date: 10/12/2010
Wave Number: 021
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

FUNDING COMMITMENT REPORT
Billed Entity Name: NEW CORP
EEN: 228867
Funding Year: 2010

Comment on RAL Corrections: The applicant did not submit any RAL corrections.

Form 470 Application Number: 728420

Funding Request Number: 1970878

Funding Status: Not Funded

Category of Service: Telecommunications Service

Form 470 Application Number: 551910000660723

SPIN: 313021372

Service Provider Name: Tradition Partners, Inc.

Contract Number: WESA-040808-000950-Byr

Bidding Account Number: N/A

Multiple Bidding Account Numbers: N

Service Start Date: 07/01/2010

Service End Date: N/A

Contract Award Date: 02/07/2008

Contract Expiration Date: 06/30/2013

Shared Worksheet Number: 165774

Number of Months Recurring Service Provided in Funding Year: 12

Annual Pre-discount Amount for Eligible Recurring Charges: \$299,940.00

Annual Pre-discount Amount for Eligible Non-recurring Charges: \$0.00

Pre-discount Amount: \$299,940.00

Discount Percentage Approved by the USAC: 90%

Funding Commitment Decision: \$0.00 Selective Bidding Violation

Funding Commitment Decision Explanation: PRI. The EPN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Tradition employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Tradition was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Tradition when they assisted you in developing your services specifications for your FCC Form 470 or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.

ECOL Date: 10/12/2010

Wave Number: 0-1

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

FUNDING COMMITMENT REPORT
Entity Name: NEW CORP
BEN: 228867
Funding Year: 2010

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 470 Application Number: 728420

Funding Request Number: 1970898

Funding Status: Not Funded

Category or Service: Telecommunications Service

Form 470 Application Number: 55191000066072

SPIN: 143025872

Service Provider Name: Transition Partners, Inc

Contract Number: N/A-010308-1000950-537

Billing Account Number: N/A

Multiple Billing Account Number: N

Service Start Date: 07/01/2010

Service End Date: N/A

Contract Award Date: 02/07/2008

Contract Expiration Date: 06/30/2013

Site Identifier: 16020475

Number of Months Requiring Service Provided in Funding Year: 12

Annual Pre-discount Amount for Recurring Fees and Charges: \$52,988.00

Annual Pre-discount Amount for Eligible Non-recurring Charges: \$1.00

Pre-discount Amount: \$52,988.00

Discount Percentage Approved by the USAC: 90%

Funding Commitment Decision: \$6.00 - Selective - Bidding Violation

Funding Commitment Decision Explanation (R1): The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the School District engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Transition employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Transition was consulted and/or offered details about services and products you were requesting on your PCO Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Transition when they assisted you in developing your services specifications for your process. Therefore, you failed to conduct a fair and open competitive bidding process free from conflicts of interest.

PCO Date: 10/12/2010

Wave Number: 021

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011



Universal Service Administrative Company

Schools and Libraries Division

FUNDING COMMITMENT DECISION LETTER
(Funding Year: 2010 (07/01/2010 - 06/30/2011))

October 12, 2010

Tom Hultaker
UPW CORP
2475 ESCONDIDO AVE
SUITE 7
VICTORIA, CA 92084

Re: Form 471 Application Number: 733636
Billed Entity Number (BEN): 228867
Billed Entity FCC RN: 0013384789
Applicant's Form Identification: SLC-VP-2010

Thank you for your Funding Year 2010 application for Universal Service Support and for any assistance you provided throughout our review. The current status of the funding request(s) in the Form 471 application cited above and featured in the Funding Commitment Report(s) (Report) at the end of this letter is as follows:

The amount: \$27,850.00 is Granted.

Please refer to the Report following this letter for funding request decisions and explanations. The Universal Service Administrative Company (USAC) is also sending this information to your service provider(s) so preparations can begin for implementing your approved discount(s) after you file FCC Form 486, Request of Service Confirmation Form. A guide that provides assistance for each line of the Report is available in the Reference Area of our website.

NEXT STEPS:

- Work with your service provider to determine if you will receive discounted bills or if you will request reimbursement from USAC after paying your bills in full.
- Review technology planning approval requirements.
- Review CIPA requirements.
- File Form 486.
- Invoice USAC using one Form 474 (service provider) or Form 472 (Billed Entity, Applicant). As products and services are being delivered and billed.

TO APPEAL THIS DECISION:

You have the option of filing an appeal with the SLC or directly with the Federal Communications Commission (FCC).

If you wish to appeal a decision in this letter to USAC, your appeal must be received by USAC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and (if available) email address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the letter and the decision you are appealing:
 - Appellant name
 - Applicant name and service provider name, if different from appellant
 - Applicant BEN and Service Provider Identification Number (SPIN)
 - Form 471 Application Number 733636 as assigned by USAC
 - Funding Commitment Decision Letter for Funding Year 2010 AND

- The exact text of the decision that you are appealing.

3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.

4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.

5. Provide an authorized signature on your letter of appeal.

To submit your appeal to USAC by email, email your appeal to appeals@sluniversalservice.org. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to USAC by fax, fax your appeal to (973) 599-6542.

To submit your appeal to USAC on paper, send your appeal to:

Director of Appeal
Schools and Libraries Division, Correspondence Unit
60 Randolph Plaza West
PO Box 885
Fairfield, NJ 07004-0885

If you wish to appeal a decision in this letter to the HCC, you should refer to CC Docket No. 02-0 on the first page of your appeal to the HCC. Your appeal must be received by the HCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeal Procedure" posted in the Reference Area of our website. If you are submitting your appeal via United States Postal Service, send to: HCC Office of the Secretary, 445 12th Street SW, Washington, DC 20551.

OBLIGATION TO PAY NON-DISCOUNT PORTION

Applicants are required to pay the non-discount portion of the cost of the products and/or services to their service provider(s). Service providers are required to bill applicants for the non-discount portion. The discounted portion resulting in applicants to pay their share of their equipment and accountability in the program. If USAC is being billed via the FCC Form 472, the service provider must bill the applicant at the same time it bills USAC. If USAC is being billed via the FCC Form 472, the applicant pays the service provider in full (the non-discount plus discount portion) and then seeks reimbursement from USAC. If you are using a trademark as part of your non-discount portion, please refer to our website for more information.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the HCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. USAC may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by USAC, the applicant, or the service provider. USAC and other appropriate authorities (including but not limited to the HCC) may pursue enforcement actions and other means of recourse to collect improperly disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division
Universal Service Administrative Company

FUNDING COMMITMENT REPORT
Billed Entity Name: NW CORP
BEN: 228867
Funding Year: 2010

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 470 Application Number: 733666

Funding Request Number: 0989953

Funding Status: Not Funded

Category of Service: Telecommunications Service

Form 470 Application Number: 106020000633911

SPIN: 102025872

Service Provider Name: Transition Partners, Inc

Contract Number: SA-010909-000060

Bidding Account Number: N/A

Multiple Bidding Account Numbers: N

Service Start Date: 07/01/2010

Service End Date: N/A

Contract Award Date: 02/07/2008

Contract Expiration Date: 06/30/2013

Shared Worksheet Number: 1106277

Number of Months Receiving Service Provided in Funding Year: 12

Annual Pre-discount Amount for Eligible Receiving Charges: \$19,670.16

Annual Pre-discount Amount for Eligible Non-receiving Charges: \$3.00

Pre-discount Amount: \$19,670.16

Discount Percentage Approved by the USAC: 0%

Bidding Commitment Decision: \$0.00 - Selective Bidding Violation

Bidding Commitment Decision Explanation: DRN. The DRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Transition Partners, Inc prior to the posting of the Form 470 and throughout the competitive bidding process which inhibited the competitive bidding process. Transition was consulted and/or offered details about services and products you were requesting in your ROC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Transition when they assisted you in developing your services specifications for your ROC Form 470/RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.

RODI Date: 10/12/2010

Wave Number: 021

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

FUNDING COMMITMENT REPORT
Billed Entity Name: NEW CORP
BEN: 228867
Funding Year: 2010

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 470 Application Number: 233666
Funding Request Number: 1984041
Funding Status: Not Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 106020000653891
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc.
Contract Number: 5A2010909-000960
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2010
Service End Date: N/A
Contract Award Date: 02/07/2008
Contract Expiration Date: 06/30/2013
Supplier Identifier: 18020478
Number of Months Requiring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$36,884.08
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$5.00
Pre-discount Amount: \$36,889.08
Discount Percentage Approved by the USAC: 90%
Funding Commitment Decision: 30.00 - Selective - Bidding Violation
Funding Commitment Decision Explanation: DRI. The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mails, discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which impaired the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470 or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.
FCDL Date: 10/14/2010
Wave Number: 021
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

FUNDING COMMITMENT REPORT
Bidding Entity Name: NEW CORP
BEN: 226867
Bidding Year: 2010

Comment on RFI corrections: The applicant did not submit any RFI corrections.

Form 470 Application Number: 733636

Bidding Request Number: 1982051

Bidding Status: Not Funded

Category of Service: Telecommunications Service

Form 470 Application Number: 10302000065891

SPIN: 1143023372

Service Provider Name: Trillion Partners, Inc.

Contract Number: SA-010302-000960

Financial Account Number: N/A

Multisite Bidding Account Number: N/A

Service Start Date: 07/01/2010

Service End Date: N/A

Contract Award Date: 02/07/2008

Contract Installation Date: 08/30/2013

Shared Worksheet Number: 11016275

Number of Months Requiring Service Provided in Bidding Year: 12

Annual Pre-discount Amount for Eligible Requiring Changes: 37,436.26

Annual Pre-discount Amount for Eligible Non-requiring Changes: \$0.00

Pre-discount Amount: 37,436.26

Discount Percentage Approved by the USAC: 90%

Bidding Commitment Decision: \$0.00 - Select N/A - Bidding Violation

Bidding Commitment Decision Explanation: Bids will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the form 470 and throughout the competitive bidding process, which limited the competitive bidding process. Trillion was consulted and/or overruled details about services and products you were requesting on your Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your RFP Form 470 or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.

ECPI Date: 10/12/2010

Wave Number: 041

Last Available Date for Delivery and Installation for Non-requiring Services: 09/30/2010

EXHIBIT K

EXHIBIT K



Universal Service Administrative Company

Schools and Libraries Division

FUNDING COMMITMENT DECISION LETTER
(Funding Year 2009: 07/01/2009 - 06/30/2010)

October 20, 2010

Tom Halfaker
NEW CORP
2611 Temple Heights Dr
Suite A
Oceanside, CA 92056

Re: Form 471 Application Number: 694690
Billed Entity Number (BEN): 228867
Billed Entity FCC RN: 0013384789
Applicant's Form Identifier: NC-WN-Y12B

Thank you for your Funding Year 2009 application for Universal Service Support and for any assistance you provided throughout our review. The current status of the funding request(s) in the Form 471 application cited above and featured in the Funding Commitment Report(s) (Report) at the end of this letter is as follows.

- The amount, \$431,913.60 is "Denied."

Please refer to the Report following this letter for specific funding request decisions and explanations. The Universal Service Administrative Company (USAC) is also sending this information to your service provider(s) so preparations can begin for implementing your approved discount(s) after you file FCC Form 486, Receipt of Service Confirmation Form. A guide that provides a definition for each line of the Report is available in the Reference Area of our website.

NEXT STEPS

- Work with your service provider to determine if you will receive discounted bills or if you will request reimbursement from USAC after paying your bills in full
- Review technology planning approval requirements
- Review CIPA requirements
- File Form 486
- Invoice USAC using the Form 474 (service provider) or Form 472 (Billed Entity applicant) - as products and services are being delivered and billed

TO APPEAL THIS DECISION:

You have the option of filing an appeal with the SLD or directly with the Federal Communications Commission (FCC).

If you wish to appeal a decision in this letter to USAC, your appeal must be received by USAC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and (if available) email address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the letter and the decision you are appealing:
 - Appellant name,
 - Applicant name and service provider name, if different from appellant,
 - Applicant BEN and Service Provider Identification Number (SPIN),
 - Form 471 Application Number 694690 as assigned by USAC,
 - "Funding Commitment Decision Letter for Funding Year 2009," AND

- The exact text or the decision that you are appealing.

3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.
4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to USAC by email, email your appeal to appeals@sl.universalservice.org. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to USAC by fax, fax your appeal to (973) 599-6542.

To submit your appeal to USAC on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Road
P.O. Box 902
Whippany, NJ 07981

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted in the Reference Area of our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

OBLIGATION TO PAY NON-DISCOUNT PORTION

Applicants are required to pay the non-discount portion of the cost of the products and/or services to their service provider(s). Service providers are required to bill applicants for the non-discount portion. The FCC stated that requiring applicants to pay their share ensures efficiency and accountability in the program. If USAC is being billed via the FCC Form 474, the service provider must bill the applicant at the same time it bills USAC. If USAC is being billed via the FCC Form 472, the applicant pays the service provider in full (the non-discount plus discount portion) and then seeks reimbursement from USAC. If you are using a trade-in as part of your non-discount portion, please refer to our website for more information.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. USAC may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by USAC, the applicant, or the service provider. USAC, and other appropriate authorities (including but not limited to the FCC), may pursue enforcement actions and other means of recourse to collect improperly disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division
Universal Service Administrative Company

K-2

FUNDING COMMITMENT REPORT
Billed Entity Name: NEW CORP
BEN: 228867
Funding Year: 2009

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 694690
Funding Request Number: 1907614
Funding Status: Not Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 551910000660723
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: W-SA-010808-000950-5yr
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2009
Service End Date: N/A
Contract Award Date: 02/07/2008
Contract Expiration Date: 06/30/2013
Shared Worksheet Number: 1134793
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$119,976.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$119,976.00
Discount Percentage Approved by the USAC: 90%
Funding Commitment Decision: \$0.00 - Selective - Bidding Violation
Funding Commitment Decision Explanation: DR1: The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.
FCDL Date: 10/20/2010
Wave Number: 070
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

FUNDING COMMITMENT REPORT
Billed Entity Name: NEW CORP
BEN: 228867
Funding Year: 2009

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 694690
Funding Request Number: 1907658
Funding Status: Not Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 551910000660723
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: W-SA-010808-000950-5yr
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2009
Service End Date: N/A
Contract Award Date: 02/07/2008
Contract Expiration Date: 06/30/2013
Shared Worksheet Number: 1134794
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$299,940.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$299,940.00
Discount Percentage Approved by the USAC: 90%
Funding Commitment Decision: \$0.00 - Selective - Bidding Violation
Funding Commitment Decision Explanation: DR1: The ERN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.

FCDL Date: 10/20/2010

Wave Number: 070

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

FUNDING COMMITMENT REPORT
Billed Entity Name: NEW CORP
BEN: 228867
Funding Year: 2009

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 694690
Funding Request Number: 1907687
Funding Status: Not Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 551910000660723
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: W-SA-010808-000950-5yr
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2009
Service End Date: N/A
Contract Award Date: 02/07/2008
Contract Expiration Date: 06/30/2013
Site Identifier: 16020475
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$59,988.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$59,988.00
Discount Percentage Approved by the USAC: 90%
Funding Commitment Decision: \$0.00 - Selective - Bidding Violation
Funding Commitment Decision Explanation: DRI: The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.

ECDL Date: 10/20/2010

Wave Number: 070

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011



Universal Service Administrative Company

Schools and Libraries Division

FUNDING COMMITMENT DECISION LETTER
(Funding Year 2009; 07/01/2009 - 06/30/2010)

October 20, 2010

Tom Halfaker
SIATECH INC.
2611 Temple Heights Dr
Suite A
Oceanside, CA 92056

Re: Form 471 Application Number: 686078
Billed Entity Number (BEN): 16020467
Billed Entity FCC RN: 0013384730
Applicant's Form Identifier: ST-WN-Y12

Thank you for your Funding Year 2009 application for Universal Service Support and for any assistance you provided throughout our review. The current status of the funding request(s) in the Form 471 application cited above and featured in the Funding Commitment Report(s) (Report) at the end of this letter is as follows.

- The amount, \$485,902.80 is "Denied."

Please refer to the Report following this letter for specific funding request decisions and explanations. The Universal Service Administrative Company (USAC) is also sending this information to your service provider(s) so preparations can begin for implementing your approved discount(s) after you file FCC Form 486, Receipt of Service Confirmation Form. A guide that provides a definition for each line of the Report is available in the Reference Area of our website.

NEXT STEPS

- Work with your service provider to determine if you will receive discounted bills or if you will request reimbursement from USAC after paying your bills in full
- Review technology planning approval requirements
- Review CIPA requirements
- File Form 486
- Invoice USAC using the Form 474 (service provider) or Form 472 (Billed Entity applicant) - as products and services are being delivered and billed

TO APPEAL THIS DECISION:

You have the option of filing an appeal with the SLD or directly with the Federal Communications Commission (FCC).

If you wish to appeal a decision in this letter to USAC, your appeal must be received by USAC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and (if available) email address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the letter and the decision you are appealing:
 - Appellant name,
 - Applicant name and service provider name, if different from appellant,
 - Applicant BEN and Service Provider Identification Number (SPIN),
 - Form 471 Application Number 686078 as assigned by USAC,
 - "Funding Commitment Decision Letter for Funding Year 2009," AND

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- The exact text or the decision that you are appealing.

3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.
4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to USAC by email, email your appeal to appeals@sl.universalservice.org. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to USAC by fax, fax your appeal to (973) 599-6542.

To submit your appeal to USAC on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Road
P.O. Box 902
Whippany, NJ 07981

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted in the Reference Area of our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

OBLIGATION TO PAY NON-DISCOUNT PORTION

Applicants are required to pay the non-discount portion of the cost of the products and/or services to their service provider(s). Service providers are required to bill applicants for the non-discount portion. The FCC stated that requiring applicants to pay their share ensures efficiency and accountability in the program. If USAC is being billed via the FCC Form 474, the service provider must bill the applicant at the same time it bills USAC. If USAC is being billed via the FCC Form 472, the applicant pays the service provider in full (the non-discount plus discount portion) and then seeks reimbursement from USAC. If you are using a trade-in as part of your non-discount portion, please refer to our website for more information.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. USAC may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by USAC, the applicant, or the service provider. USAC, and other appropriate authorities (including but not limited to the FCC), may pursue enforcement actions and other means of recourse to collect improperly disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division
Universal Service Administrative Company

FUNDING COMMITMENT REPORT
Billed Entity Name: SIATECH INC.
BEN: 16020467
Funding Year: 2009

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 686078
Funding Request Number: 1877489
Funding Status: Not Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 586640000660709
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: W-SA-010808-000959-Syr
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2009
Service End Date: N/A
Contract Award Date: 02/07/2008
Contract Expiration Date: 06/30/2013
Shared Worksheet Number: 1118548
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$539,892.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$539,892.00
Discount Percentage Approved by the USAC: 90%
Funding Commitment Decision: \$0.00 - Bidding Violation- SRC
Funding Commitment Decision Explanation: DRI: The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.

FCDL Date: 10/20/2010

Wave Number: 070

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011



Universal Service Administrative Company

Schools and Libraries Division

FUNDING COMMITMENT DECISION LETTER
(Funding Year 2009: 07/01/2009 - 06/30/2010)

October 20, 2010

Tom Halfaker
SIATECH INC.
2611 Temple Heights Dr
Suite A
Oceanside, CA 92056

Re: Form 471 Application Number: 695002
Billed Entity Number (BEN): 16020467
Billed Entity FCC RN: 0013384730
Applicant's Form Identifier: ST-VP-Y12

Thank you for your Funding Year 2009 application for Universal Service Support and for any assistance you provided throughout our review. The current status of the funding request(s) in the Form 471 application cited above and featured in the Funding Commitment Report(s) (Report) at the end of this letter is as follows.

- The amount, \$26,122.93 is "Approved."

Please refer to the Report following this letter for specific funding request decisions and explanations. The Universal Service Administrative Company (USAC) is also sending this information to your service provider(s) so preparations can begin for implementing your approved discount(s) after you file FCC Form 486, Receipt of Service Confirmation Form. A guide that provides a definition for each line of the Report is available in the Reference Area of our website.

NEXT STEPS

- Work with your service provider to determine if you will receive discounted bills or if you will request reimbursement from USAC after paying your bills in full
- Review technology planning approval requirements
- Review CIPA requirements
- File Form 486
- Invoice USAC using the Form 474 (service provider) or Form 472 (Billed Entity applicant) - as products and services are being delivered and billed

TO APPEAL THIS DECISION:

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1. Include the name, address, telephone number, fax number, and (if available) email address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the letter and the decision you are appealing:
 - Appellant name,
 - Applicant name and service provider name, if different from appellant,
 - Applicant BEN and Service Provider Identification Number (SPIN),
 - Form 471 Application Number 695002 as assigned by USAC,
 - "Funding Commitment Decision Letter for Funding Year 2009," AND

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- The exact text or the decision that you are appealing.

3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.
4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

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To submit your appeal to USAC on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Road
P.O. Box 902
Whippany, NJ 07981

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OBLIGATION TO PAY NON-DISCOUNT PORTION

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NOTICE ON RULES AND FUNDS AVAILABILITY

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Schools and Libraries Division
Universal Service Administrative Company

FUNDING COMMITMENT REPORT
Billed Entity Name: SIATECH INC.
BEN: 16020467
Funding Year: 2009

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 695002
Funding Request Number: 1908360
Funding Status: Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 384290000715040
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: SA-030708-001010
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2009
Service End Date: N/A
Contract Award Date: 02/11/2009
Contract Expiration Date: 06/30/2014
Shared Worksheet Number: 1135817
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$29,025.48
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$29,025.48
Discount Percentage Approved by the USAC: 90%
Funding Commitment Decision: \$26,122.93 - ERN approved as submitted
ECDL Date: 10/20/2010
Wave Number: 070
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011



Universal Service Administrative Company

Schools and Libraries Division

FUNDING COMMITMENT DECISION LETTER
(Funding Year 2009: 07/01/2009 - 06/30/2010)

October 20, 2010

Tom Halfaker
NEW CORP
2611 Temple Heights Dr
Suite A
Oceanside, CA 92056

Re: Form 471 Application Number: 694279
Billed Entity Number (BEN): 228867
Billed Entity FCC RN: 0013384789
Applicant's Form Identifier: NC-VP-Y12

Thank you for your Funding Year 2009 application for Universal Service Support and for any assistance you provided throughout our review. The current status of the funding request(s) in the Form 471 application cited above and featured in the Funding Commitment Report(s) (Report) at the end of this letter is as follows.

- The amount, \$27,850.06 is "Denied."

Please refer to the Report following this letter for specific funding request decisions and explanations. The Universal Service Administrative Company (USAC) is also sending this information to your service provider(s) so preparations can begin for implementing your approved discount(s) after you file FCC Form 486, Receipt of Service Confirmation Form. A guide that provides a definition for each line of the Report is available in the Reference Area of our website.

NEXT STEPS

- Work with your service provider to determine if you will receive discounted bills or if you will request reimbursement from USAC after paying your bills in full
- Review technology planning approval requirements
- Review CIPA requirements
- File Form 486
- Invoice USAC using the Form 474 (service provider) or Form 472 (Billed Entity applicant) - as products and services are being delivered and billed

TO APPEAL THIS DECISION:

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1. Include the name, address, telephone number, fax number, and (if available) email address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the letter and the decision you are appealing:
 - Appellant name,
 - Applicant name and service provider name, if different from appellant,
 - Applicant BEN and Service Provider Identification Number (SPIN),
 - Form 471 Application Number 694279 as assigned by USAC,
 - "Funding Commitment Decision Letter for Funding Year 2009," AND

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- The exact text or the decision that you are appealing.
- 3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.
- 4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
- 5. Provide an authorized signature on your letter of appeal.

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To submit your appeal to USAC on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Road
P.O. Box 902
Whippany, NJ 07981

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OBLIGATION TO PAY NON-DISCOUNT PORTION

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NOTICE ON RULES AND FUNDS AVAILABILITY

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Schools and Libraries Division
Universal Service Administrative Company

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FUNDING COMMITMENT REPORT
Billed Entity Name: NEW CORP
BEN: 228867
Funding Year: 2009

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 694279
Funding Request Number: 1905746
Funding Status: Not Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 108020000653891
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: SA-010909-000960
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2009
Service End Date: N/A
Contract Award Date: 02/07/2008
Contract Expiration Date: 06/30/2013
Shared Worksheet Number: 1134076
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$7,436.28
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$7,436.28
Discount Percentage Approved by the USAC: 90%
Funding Commitment Decision: \$0.00 - Selective - Bidding Violation
Funding Commitment Decision Explanation: DRI: The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470 or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.

FCDL Date: 10/20/2010

Wave Number: 070

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

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FUNDING COMMITMENT REPORT
Billed Entity Name: NEW CORP
BEN: 228867
Funding Year: 2009

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 694279
Funding Request Number: 1905905
Funding Status: Not Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 108020000653891
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: SA-010808-000960
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2009
Service End Date: N/A
Contract Award Date: 02/07/2008
Contract Expiration Date: 06/30/2013
Shared Worksheet Number: 1134077
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$19,670.16
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$19,670.16
Discount Percentage Approved by the USAC: 90%
Funding Commitment Decision: \$0.00 - Selective - Bidding Violation
Funding Commitment Decision Explanation: MR1: The FRN was modified from \$8,000.00/1 Time to \$.00/1 Time to agree with the applicant documentation. <><><><><> DR1: The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.

ECDL Date: 10/20/2010
Wave Number: 070
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

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FUNDING COMMITMENT REPORT
Billed Entity Name: NEW CORP
BEN: 228867
Funding Year: 2009

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 694279
Funding Request Number: 1905998
Funding Status: Not Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 108020000653891
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: SA-010808-000960
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2009
Service End Date: N/A
Contract Award Date: 02/07/2008
Contract Expiration Date: 06/30/2013
Site Identifier: 16020475
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$3,838.08
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$3,838.08
Discount Percentage Approved by the USAC: 90%
Funding Commitment Decision: \$0.00 - Selective - Bidding Violation
Funding Commitment Decision Explanation: DR1: The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.
FCDL Date: 10/20/2010
Wave Number: 070
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011



Universal Service Administrative Company

Schools and Libraries Division

FUNDING COMMITMENT DECISION LETTER
(Funding Year 2009: 07/01/2009 - 06/30/2010)

October 20, 2010

Tom Halfaker
SIATECH INC.
2611 Temple Heights Dr
Suite A
Oceanside, CA 92056

Re: Form 471 Application Number: 686078
Billed Entity Number (BEN): 16020467
Billed Entity FCC RN: 0013384730
Applicant's Form Identifier: ST-WN-Y12

Thank you for your Funding Year 2009 application for Universal Service Support and for any assistance you provided throughout our review. The current status of the funding request(s) in the Form 471 application cited above and featured in the Funding Commitment Report(s) (Report) at the end of this letter is as follows.

- The amount, \$485,902.80 is "Denied."

Please refer to the Report following this letter for specific funding request decisions and explanations. The Universal Service Administrative Company (USAC) is also sending this information to your service provider(s) so preparations can begin for implementing your approved discount(s) after you file FCC Form 486, Receipt of Service Confirmation Form. A guide that provides a definition for each line of the Report is available in the Reference Area of our website.

NEXT STEPS

- Work with your service provider to determine if you will receive discounted bills or if you will request reimbursement from USAC after paying your bills in full
- Review technology planning approval requirements
- Review CIPA requirements
- File Form 486
- Invoice USAC using the Form 474 (service provider) or Form 472 (Billed Entity applicant) - as products and services are being delivered and billed

TO APPEAL THIS DECISION:

You have the option of filing an appeal with the SLD or directly with the Federal Communications Commission (FCC).

If you wish to appeal a decision in this letter to USAC, your appeal must be received by USAC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and (if available) email address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the letter and the decision you are appealing:
 - Appellant name,
 - Applicant name and service provider name, if different from appellant,
 - Applicant BEN and Service Provider Identification Number (SPIN),
 - Form 471 Application Number 686078 as assigned by USAC,
 - "Funding Commitment Decision Letter for Funding Year 2009," AND

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- The exact text or the decision that you are appealing.

3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.
4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to USAC by email, email your appeal to appeals@sl.universalservice.org. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to USAC by fax, fax your appeal to (973) 599-6542.

To submit your appeal to USAC on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Road
P.O. Box 902
Whippany, NJ 07981

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted in the Reference Area of our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

OBLIGATION TO PAY NON-DISCOUNT PORTION

Applicants are required to pay the non-discount portion of the cost of the products and/or services to their service provider(s). Service providers are required to bill applicants for the non-discount portion. The FCC stated that requiring applicants to pay their share ensures efficiency and accountability in the program. If USAC is being billed via the FCC Form 474, the service provider must bill the applicant at the same time it bills USAC. If USAC is being billed via the FCC Form 472, the applicant pays the service provider in full (the non-discount plus discount portion) and then seeks reimbursement from USAC. If you are using a trade-in as part of your non-discount portion, please refer to our website for more information.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. USAC may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by USAC, the applicant, or the service provider. USAC, and other appropriate authorities (including but not limited to the FCC), may pursue enforcement actions and other means of recourse to collect improperly disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division
Universal Service Administrative Company

FUNDING COMMITMENT REPORT
Billed Entity Name: SIATECH INC.
BEN: 16020467
Funding Year: 2009

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 686078
Funding Request Number: 1877489
Funding Status: Not Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 586640000660709
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: W-SA-010808-000959-5yr
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2009
Service End Date: N/A
Contract Award Date: 02/07/2008
Contract Expiration Date: 06/30/2013
Shared Worksheet Number: 1118548
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$539,892.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$539,892.00
Discount Percentage Approved by the USAC: 90%
Funding Commitment Decision: \$0.00 - Bidding Violation- SRC
Funding Commitment Decision Explanation: DRI: The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.

FCDL Date: 10/20/2010
Wave Number: 070
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

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Universal Service Administrative Company

Schools and Libraries Division

FUNDING COMMITMENT DECISION LETTER
(Funding Year 2009: 07/01/2009 - 06/30/2010)

October 20, 2010

Tom Halfaker
SIATECH INC.
2611 Temple Heights Dr
Suite A
Oceanside, CA 92056

Re: Form 471 Application Number: 695002
Billed Entity Number (BEN): 16020467
Billed Entity FCC RN: 0013384730
Applicant's Form Identifier: ST-VP-V12

Thank you for your Funding Year 2009 application for Universal Service Support and for any assistance you provided throughout our review. The current status of the funding request(s) in the Form 471 application cited above and featured in the Funding Commitment Report(s) (Report) at the end of this letter is as follows.

- The amount, \$26,122.93 is "Approved."

Please refer to the Report following this letter for specific funding request decisions and explanations. The Universal Service Administrative Company (USAC) is also sending this information to your service provider(s) so preparations can begin for implementing your approved discount(s) after you file FCC Form 486, Receipt of Service Confirmation Form. A guide that provides a definition for each line of the Report is available in the Reference Area of our website.

NEXT STEPS

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1. Include the name, address, telephone number, fax number, and (if available) email address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the letter and the decision you are appealing:
 - Appellant name,
 - Applicant name and service provider name, if different from appellant,
 - Applicant BEN and Service Provider Identification Number (SPIN),
 - Form 471 Application Number 695002 as assigned by USAC,
 - "Funding Commitment Decision Letter for Funding Year 2009," AND

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- The exact text or the decision that you are appealing.
- 3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.
- 4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
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Schools and Libraries Division
Universal Service Administrative Company

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FUNDING COMMITMENT REPORT
Billed Entity Name: SIATECH INC.
BEN: 16020467
Funding Year: 2009



Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 695002
Funding Request Number: 1908360
Funding Status: Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 384290000715040
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: SA-030708-001010
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2009
Service End Date: N/A
Contract Award Date: 02/11/2009
Contract Expiration Date: 06/30/2014
Shared Worksheet Number: 1135817
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$29,025.48
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$29,025.48
Discount Percentage Approved by the USAC: 90%
Funding Commitment Decision: \$26,122.93 - FRN approved as submitted

FCDL Date: 10/20/2010
Wave Number: 070
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011

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EXHIBIT L

EXHIBIT L



Schools and Libraries Division

Notification of Commitment Adjustment Letter
Funding Year 2007: July 1, 2007 - June 30, 2008

October 21, 2010

Thomas Halfaker
SIATECH INC.
2611 Temple Heights Drive
Oceanside, CA 92056

Re: Form 471 Application Number: 584060
Funding Year: 2007
Applicant's Form Identifier: SIAYR10-Trill-CA
Billed Entity Number: 16020467
FCC Registration Number: 0013384730
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc

Service Provider Contact Person: Virginia Bryant

Our routine review of Schools and Libraries Program (Program) funding commitments has revealed certain applications where funds were committed in violation of Program rules.

In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at http://www.fcc.gov/debt_collection/faq.html.

TO APPEAL THIS DECISION:

You have the option of filing an appeal with USAC or directly with the Federal Communications Commission (FCC).

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

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FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letter Reports" posted at <http://usac.org/sl/tools/reference/guide-usac-letter-reports.aspx> for more information on each of the Fields in the Report. USAC is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with Program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Virginia Bryant
Trillion Partners, Inc

Funding Commitment Adjustment Report for
Form 471 Application Number: 584060

Funding Request Number: 1619254
Services Ordered: INTERNET ACCESS
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: 07012007
Billing Account Number:
Site Identifier: 16020467
Original Funding Commitment: \$358,127.89
Commitment Adjustment Amount: \$358,127.89
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$358,127.89
Funds to be Recovered from Applicant: \$358,127.89

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review, documentation provided by you and/or your vendor indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documents provided by you and/or your service provider indicated that, prior to/throughout your contractual relationship with the service provider listed on the FRN, you were offered and accepted gifts, meals, gratuities, or entertainment from the service provider, which resulted in a competitive process that was no longer fair and open. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

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Schools and Libraries Division

Notification of Commitment Adjustment Letter

Funding Year 2008: July 1, 2008 - June 30, 2009

October 21, 2010

Tom Halfaker

SIATECH INC.

217 ESCONDIDO AVENUE #7,

VISTA, CA 92084

Re: Form 471 Application Number:	635031
Funding Year:	2008
Applicant's Form Identifier:	ST-WN-Y11Cont
Billed Entity Number:	16020467
FCC Registration Number:	0013384730
SPIN:	143025872
Service Provider Name:	Trillion Partners, Inc
Service Provider Contact Person:	Virginia Bryant

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In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

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TO APPEAL THIS DECISION:

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If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

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 - Billed Entity Number, and
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FUNDING COMMITMENT ADJUSTMENT REPORT

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Schools and Libraries Division
Universal Services Administrative Company

cc: Virginia Bryant
Trillion Partners, Inc

Funding Commitment Adjustment Report for
Form 471 Application Number: 635031

Funding Request Number: 1756542
Services Ordered: TELCOMM SERVICES
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: N/A
Billing Account Number:
Site Identifier: 16020467
Original Funding Commitment: \$358,127.89
Commitment Adjustment Amount: \$358,127.89
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$0.00
Funds to be Recovered from Applicant: \$0.00

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review, documentation provided by you and/or your vendor indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documents provided by you and/or your service provider indicated that, prior to/throughout your contractual relationship with the service provider listed on the FRN, you were offered and accepted gifts, meals, gratuities, or entertainment from the service provider, which resulted in a competitive process that was no longer fair and open. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

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Notification of Commitment Adjustment Letter

Funding Year 2008: July 1, 2008 - June 30, 2009

October 21, 2010

Tom Halfakor
SIATECH INC.
217 ESCONDIDO AVENUE #7,
VISTA, CA 92084

Re: Form 471 Application Number: 635283
Funding Year: 2008
Applicant's Form Identifier: ST-WN-Y11B
Billed Entity Number: 16020467
FCC Registration Number: 0013384730
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Service Provider Contact Person: Virginia Bryant

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FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letter Reports" posted at <http://usac.org/sl/tools/reference/guide-usac-letter-reports.aspx> for more information on each of the fields in the Report. USAC is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with Program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Virginia Bryant
Trillion Partners, Inc

Funding Commitment Adjustment Report for
Form 471 Application Number: 635283

Funding Request Number: 1757276
Services Ordered: TELCOMM SERVICES
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Contract Number: W-SA-010808-000959-5yr
Billing Account Number:
Site Identifier: 16020467
Original Funding Commitment: \$485,902.80
Commitment Adjustment Amount: \$485,902.80
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date: \$358,127.93
Funds to be Recovered from Applicant: \$358,127.93

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review, the documentation provided by you and/or the service provider indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documents provided by you and/or your service provider indicated that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

EXHIBIT M

EXHIBIT M



Universal Service Administrative Company

Schools and Libraries Division

Administrator's Decision on FCC Remand - Funding Year 2006

October 25, 2010

Thomas Halfaker
SIATECH INC.
217 Escondido Ave
Vista, CA 92084

Re: Applicant Name: SIATECH INC.
 Billed Entity Number: 16020467
 Form 471 Application Number: 536126
 Form 486 Application Number: N/A
 Funding Request Number(s): 1483818
 FCC Order: DA 09-825
 FCC Order Release Date: April 14, 2009

The Federal Communications Commission (FCC) has directed the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) to further review your application consistent with the FCC Order referenced above.

After thorough review and investigation of all the relevant facts, USAC has made its decision in regard to the FCC Remand of USAC's for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60-day time period for appealing this decision. If you included more than one Application Number in your appeal to the FCC, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1483818
Decision on FCC Remand: **Approved, Funding Denied**
Explanation:

- After a complete review, USAC has determined that the funding should be denied for the following reasons: the funding request will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The

competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.

- This funding request is denied because the documents provided by you and/or your vendor indicate that there was not a fair and open competitive bid process free from conflicts of interest. The documentation provided by you and/or your service provider indicates that prior to/throughout your contractual relationship with the service provider listed on the FRN, that you were offered and accepted **either gifts, meals, gratuities, entertainment** from the service provider, which resulted in a competitive process that was no longer fair and open. Consequently your appeal is approved funding denied.

If your Administrator's Decision on FCC Remand Letter indicates that your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either the SLD or the Federal Communications Commission (FCC). For appeals that have been denied in full, partially approved, dismissed, or cancelled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience, and cooperation during the FCC Remand review process.

Schools and Libraries Division
Universal Service Administrative Company



Universal Service Administrative Company

Schools and Libraries Division

Administrator's Decision on FCC Remand - Funding Year 2006-2007

October 25, 2010

Thomas Halfaker
New Corp
217 Escondido Ave
Vista, CA 92084

Re: Applicant Name: New Corp
 Billed Entity Number: 228867
 Form 471 Application Number: 537176
 Form 486 Application Number: N/A
 Funding Request Number(s): 1486990
 FCC Order: DA 09-825
 FCC Order Release Date: April 14, 2009

The Federal Communications Commission (FCC) has directed the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) to further review your application consistent with the FCC Order referenced above.

After thorough review and investigation of all the relevant facts, USAC has made its decision in regard to the FCC Remand of USAC's decision for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60-day time period for appealing this decision. If you included more than one Application Number in your appeal to the FCC, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1486990
Decision on FCC Remand: **Approved, Funding Denied**
Explanation:

- Following a thorough review of your appeal, the funding request will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470

and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.

If your Administrator's Decision on FCC Remand Letter indicates that your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either the SLD or the Federal Communications Commission (FCC). For appeals that have been denied in full, partially approved, dismissed, or cancelled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience, and cooperation during the FCC Remand review process.

Schools and Libraries Division
Universal Service Administrative Company



Schools and Libraries Division

Administrator's Decision on FCC Remand - Funding Year 2006-2007

October 25, 2010

Thomas Halfaker
New Corp
217 Escondido Ave
Vista, CA 92084

Re: Applicant Name: New Corp
 Billed Entity Number: 228867
 Form 471 Application Number: 537090
 Form 486 Application Number: N/A
 Funding Request Number(s): 1486706
 FCC Order: DA 09-825
 FCC Order Release Date: April 14, 2009

The Federal Communications Commission (FCC) has directed the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) to further review your application consistent with the FCC Order referenced above.

After thorough review and investigation of all the relevant facts, USAC has made its decision in regard to the FCC Remand of USAC's decision for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60-day time period for appealing this decision. If you included more than one Application Number in your appeal to the FCC, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1486706
Decision on FCC Remand: **Approved, Funding Denied**
Explanation:

- Following a thorough review of your appeal, the funding request will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470

and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.

If your Administrator's Decision on FCC Remand Letter indicates that your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either the SLD or the Federal Communications Commission (FCC). For appeals that have been denied in full, partially approved, dismissed, or cancelled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience, and cooperation during the FCC Remand review process.

Schools and Libraries Division
Universal Service Administrative Company



Schools and Libraries Division

Administrator's Decision on FCC Remand - Funding Year 2006-2007

October 25, 2010

Thomas Halfaker
New Corp
217 Escondido Ave
Vista, CA 92084

Re: Applicant Name: New Corp
 Billed Entity Number: 228867
 Form 471 Application Number: 537265
 Form 486 Application Number: N/A
 Funding Request Number(s): 1487203
 FCC Order: DA 09-825
 FCC Order Release Date: April 14, 2009

The Federal Communications Commission (FCC) has directed the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) to further review your application consistent with the FCC Order referenced above.

After thorough review and investigation of all the relevant facts, USAC has made its decision in regard to the FCC Remand of USAC's decision for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60-day time period for appealing this decision. If you included more than one Application Number in your appeal to the FCC, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1487203
Decision on FCC Remand: **Approved, Funding Denied**
Explanation:

- Following a thorough review of your appeal, the funding request will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470

and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.

If your Administrator's Decision on FCC Remand Letter indicates that your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either the SLD or the Federal Communications Commission (FCC). For appeals that have been denied in full, partially approved, dismissed, or cancelled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience, and cooperation during the FCC Remand review process.

Schools and Libraries Division
Universal Service Administrative Company

Administrator's Decision on FCC Remand - Funding Year 2006-2007

October 25, 2010

Thomas Halfaker
New Corp
217 Escondido Ave
Vista, CA 92084

Re: Applicant Name: New Corp
 Billed Entity Number: 228867
 Form 471 Application Number: 536824
 Form 486 Application Number: N/A
 Funding Request Number(s): 1485668
 FCC Order: DA 09-825
 FCC Order Release Date: April 14, 2009

The Federal Communications Commission (FCC) has directed the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) to further review your application consistent with the FCC Order referenced above.

After thorough review and investigation of all the relevant facts, USAC has made its decision in regard to the FCC Remand of USAC's decision for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60-day time period for appealing this decision. If you included more than one Application Number in your appeal to the FCC, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1485668
Decision on FCC Remand: **Approved, Funding Denied**
Explanation:

- Following a thorough review of your appeal, the funding request will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470

and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.

If your Administrator's Decision on FCC Remand Letter indicates that your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either the SLD or the Federal Communications Commission (FCC). For appeals that have been denied in full, partially approved, dismissed, or cancelled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience, and cooperation during the FCC Remand review process.

Schools and Libraries Division
Universal Service Administrative Company

EXHIBIT N

EXHIBIT N



Schools and Libraries Division

Notification of Commitment Adjustment Letter

Funding Year 2007: July 1, 2007 - June 30, 2008

November 05, 2010

Thomas Balfaker

NEW CORP

2611 Temple Heights Drive

Oceanside, CA 92056

Re: Form 471 Application Number: 563858
Funding Year: 2007
Applicant's Form Identifier: NCYR10-Tx111-F1
Billed Entity Number: 220867
FCC Registration Number: 0013384789
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Service Provider Contact Person: Virginia Bryant

Our routine review of Schools and Libraries Program (Program) funding commitments has revealed certain applications where funds were committed in violation of Program rules.

In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at http://www.fcc.gov/debt_collection/faq.html.

Schools and Libraries Division - Correspondence Unit
100 South Jefferson Road, P.O. Box 902, Whippany, NJ 07981
Visit us online at: www.usac.org/sl

N-1

TO APPEAL THIS DECISION:

You have the option of filing an appeal with USAC or directly with the Federal Communications Commission (FCC).

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Rd.
P. O. Box 902
Whippany, NJ 07981

For more information on submitting an appeal to USAC, please see the "Appeals Procedure" posted on our website.

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FUNDING COMMITMENT ADJUSTMENT REPORT

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Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with Program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Virginia Bryant
Trillion Partners, Inc



Schools and Libraries Division

Notification of Commitment Adjustment Letter

Funding Year 2007: July 1, 2007 - June 30, 2008

November 05, 2010

Thomas Hulfaker

NEW CORP

2611 Temple Heights Drive

Oceanside, CA 92056

Re: Form 471 Application Number: 584000
Funding Year: 2007
Applicant's Form Identifier: NCYR10-Trill-AZ
Billed Entity Number: 228867
FCC Registration Number: 0013384789
SPIN: 143025872
Service Provider Name: Trillion Partners, Inc
Service Provider Contact Person: Virginia Bryant

Our routine review of Schools and Libraries Program (Program) funding commitments has revealed certain applications where funds were committed in violation of Program rules.

In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at http://www.fcc.gov/debt_collection/faq.html.

Schools and Libraries Division - Correspondence Unit
100 South Jefferson Road, P.O. Box 902, Whippany, NJ 07981
Visit us online at: www.usac.org/sl

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Funding Commitment Adjustment Report for
Form 471 Application Number: 583858

Funding Request Number:	1618542
Services Ordered:	TELCOMM SERVICES
SPIN:	143025872
Service Provider Name:	Trillion Partners, Inc
Contract Number:	07012007
Billing Account Number:	
Site Identifier:	228867
Original Funding Commitment:	\$155,011.97
Commitment Adjustment Amount:	\$155,011.97
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$155,011.97
Funds to be Recovered from Applicant:	\$155,011.97

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review, the documentation provided by you and/or the service provider indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documents provided by you and/or your service provider indicated that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

TO APPEAL THIS DECISION:

You have the option of filing an appeal with USAC or directly with the Federal Communications Commission (FCC).

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
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To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Rd.
P. O. Box 902
Whippany, NJ 07981

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N-6



Universal Service Administrative Company

Schools and Libraries Division

Notification of Commitment Adjustment Letter

Funding Year 2007: July 1, 2007 - June 30, 2008

November 05, 2010

Thomas Halfaker

NEW CORP

2611 Temple Heights Drive

Oceanside, CA 92056

Re: Form 471 Application Number:	583950
Funding Year:	2007
Applicant's Form Identifier:	NCYR10-00111-NM
Billed Entity Number:	228867
FCC Registration Number:	0013384789
SPIN:	143025872
Service Provider Name:	Trillion Partners, Inc
Service Provider Contact Person:	Virginia Bryant

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Schools and Libraries Division - Correspondence Unit
100 South Jefferson Road, P.O. Box 902, Whippany, NJ 07981
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FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letter Reports" posted at <http://usac.org/sl/tools/reference/guide-usac-letter-reports.aspx> for more information on each of the fields in the Report. USAC is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with Program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Virginia Bryant
Trillion Partners, Inc

Funding Commitment Adjustment Report for
Form 471 Application Number: 583950

Funding Request Number:	1618798
Services Ordered:	TELECOMM SERVICES
SPIN:	143025872
Service Provider Name:	Trillion Partners, Inc
Contract Number:	07012007
Billing Account Number:	
Site Identifier:	228867
Original Funding Commitment:	\$38,752.99
Commitment Adjustment Amount:	\$38,752.99
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$38,752.99
Funds to be Recovered from Applicant:	\$38,752.99

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review, the documentation provided by you and/or the service provider indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documents provided by you and/or your service provider indicated that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470 or RFP. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

Funding Commitment Adjustment Report for
Form 471 Application Number: 584000

Funding Request Number:	1618918
Services Ordered:	TELCOMM SERVICES
SPIN:	143025872
Service Provider Name:	Trillion Partners, Inc
Contract Number:	07012007
Billing Account Number:	
Site Identifier:	228867
Original Funding Commitment:	\$77,505.98
Commitment Adjustment Amount:	\$77,505.98
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$77,505.98
Funds to be Recovered from Applicant:	\$77,505.98

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review, the documentation provided by you and/or the service provider indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documents provided by you and/or your service provider indicated that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

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Schools and Libraries Division
Universal Services Administrative Company

cc: Virginia Bryant
Trillion Partners, Inc



Universal Service Administrative Company

Schools and Libraries Division

Notification of Commitment Adjustment Letter

Funding Year 2008: July 1, 2008 - June 30, 2009

November 05, 2010

Tom Halfaker

NEW CORP

217 ESCONDIDO AVE,

VISTA, CA 92084

Re: Form 471 Application Number:	635394
Funding Year:	2008
Applicant's Form Identifier:	NC-WN-Y11B
Billed Entity Number:	228867.
FCC Registration Number:	0013384789
SPIN:	143025872
Service Provider Name:	Trillion Partners, Inc
Service Provider Contact Person:	Virginia Bryant

Our routine review of Schools and Libraries Program (Program) funding commitments has revealed certain applications where funds were committed in violation of Program rules.

In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at http://www.fcc.gov/debt_collection/faq.html.

Schools and Libraries Division - Correspondence Unit
100 South Jefferson Road, P.O. Box 902, Whippany, NJ 07981
Visit us online at: www.usac.org/sl

N-12

TO APPEAL THIS DECISION:

You have the option of filing an appeal with USAC or directly with the Federal Communications Commission (FCC).

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Rd.
P. O. Box 902
Whippany, NJ 07981

For more information on submitting an appeal to USAC, please see the "Appeals Procedure" posted on our website.

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted on our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

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 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
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Schools and Libraries Division
Universal Services Administrative Company

cc: Virginia Bryant
Trillion Partners, Inc

Funding Commitment Adjustment Report for
Form 471 Application Number: 635394

Funding Request Number:	1758290
Services Ordered:	TELCOMM SERVICES
SPIN:	143025872
Service Provider Name:	Trillion Partners, Inc
Contract Number:	W-SA-010808-000960-5yr
Billing Account Number:	
Site Identifier:	228867
Original Funding Commitment:	\$53,989.20
Commitment Adjustment Amount:	\$53,989.20
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$38,752.99
Funds to be Recovered from Applicant:	\$38,752.99

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review, the documentation provided by you and/or the service provider indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documents provided by you and/or your service provider indicated that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

Funding Request Number:	1758160
Services Ordered:	TELCOMM SERVICES
SPIN:	143025872
Service Provider Name:	Trillion Partners, Inc
Contract Number:	W-SA-010808-000960-5yr
Billing Account Number:	
Site Identifier:	228867
Original Funding Commitment:	\$107,978.40
Commitment Adjustment Amount:	\$107,978.40
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$77,505.98
Funds to be Recovered from Applicant:	\$77,505.98

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review, the documentation provided by you and/or the service provider indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documents provided by you and/or your service provider indicated that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

Funding Request Number: 1758214
Services Ordered: TELCOMM SERVICES
SPIN: 143025072
Service Provider Name: Trillion Partners, Inc
Contract Number: W-SA-010808-000960-5yr
Billing Account Number:
Site Identifier: 228867
Original Funding Commitment: \$215,956.80
Commitment Adjustment Amount: \$215,956.80
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$155,011.97
Funds to be Recovered from Applicant: \$155,011.97

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review, the documentation provided by you and/or the service provider indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documents provided by you and/or your service provider indicated that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. Therefore, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

EXHIBIT O

EXHIBIT O

SIATECH, INC

Audit Number: SL-2008-243

BEN Number: 16020467



KPMG LLP
2001 M Street, NW
Washington, DC 20036

Independent Accountants' Report

SIATech, Inc.

Universal Service Administrative Company

Federal Communications Commission:

We have examined SIATech, Inc.'s. (Beneficiary Number 16020467) ("SIATech") compliance with the Federal Communications Commission's 47 C.F.R. Part 54 Rules and related Orders identified in the accompanying Attachment 1 relative to disbursements of \$785,493 made from the Universal Service Fund during the fiscal year ended June 30, 2008 and relative to its Funding Year 2006 and 2007 applications for funding and service provider selections related to the Funding Request Numbers for which such disbursements were made. Management is responsible for SIATech's compliance with those requirements. Our responsibility is to express an opinion on SIATech's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about SIATech's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on SIATech's compliance with specified requirements.

Our examination disclosed material noncompliance with the application for funding requirements applicable to SIATech relative to disbursements made from the Universal Service Fund during the fiscal year ended June 30, 2008 and relative to its application process for Funding Year 2006. Detailed information relative to the material noncompliance is described in item SL2008BE243_F01 in Attachment 2.

In our opinion, except for the material noncompliance described in the third paragraph, SIATech complied, in all material respects, with the aforementioned requirements relative to disbursements of \$785,493 made from the Universal Service Fund during the fiscal year ended June 30, 2008 and relative to its Funding Year 2006 and 2007 applications for funding and service provider selections related to the Funding Request Numbers for which such disbursements were made.

In accordance with *Government Auditing Standards*, we are required to report findings of significant deficiencies and material weaknesses that come to our attention during our examination. We are also required to obtain the views of management on those matters. We performed our examination to express an opinion on whether SIATech complied with the aforementioned requirements and not for the purpose of expressing an opinion on the internal control over compliance; accordingly, we express no such opinion. Our examination disclosed certain findings, as discussed below, that are required to be reported under *Government Auditing Standards*.



A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with federal program requirements, such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in items SL2008BE243_F01 through _F04 in Attachment 2 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in Attachment 2, we consider items SL2008BE243_F01 and _F02 to be material weaknesses.

SIATech's responses to the findings identified in our examination are described in Attachment 2. We did not examine SIATech's responses, and accordingly, we express no opinion on them.

In addition, and in accordance with *Government Auditing Standards*, we also noted other matters that we have reported to the management of SIATech in a separate letter dated December 2, 2009.

KPMG LLP

December 2, 2009

Attachment 1

**Federal Communications Commission's ("FCC") 47 C.F.R. Part 54 Rules and Related Orders
with which Compliance was Examined**

Document Retention Matters:

Section 54.504 (c) (1) (x), which was effective as of October 13, 2004

Section 54.516 (a), which was effective from March 11, 2004 through October 12, 2004

Section 54.516 (a) (1), which was effective as of October 13, 2004

Application Matters:

Section 54.501 (b), as revised, which was originally effective as of July 17, 1997

Section 54.501 (d) (1), which was effective as of July 17, 1997

Section 54.501 (d) (2), which was effective as of July 17, 1997

Section 54.504 (b) (1), as revised, which was originally effective as of July 17, 1997

Section 54.504 (b) (2), as revised, which was originally effective as of July 17, 1997

Section 54.504 (b) (2) (i), as revised, which was originally effective as of February 12, 1998

Section 54.504 (b) (2) (iii), which was effective as of October 13, 2004

Section 54.504 (b) (2) (iv), which was effective as of October 13, 2004

Section 54.504 (b) (2) (v), which was effective from July 17, 1997 to October 12, 2004

Section 54.504 (b) (2) (vi), which was effective as of October 13, 2004

Section 54.504 (c), which was effective as of February 12, 1998

Section 54.505 (b) (4), which was effective as of February 12, 1998

Section 54.508 (a), which was effective as of October 13, 2004

Section 54.508 (c), which was effective as of October 13, 2004

FCC Order DA 01-1620, paragraph 9, which was issued on July 11, 2001

Attachment 1, continued

**Federal Communications Commission's ("FCC") 47 C.F.R. Part 54 Rules and Related Orders
with which Compliance was Examined, continued**

Service Provider Selection Matters:

Section 54.504 (a), which was effective as of February 12, 1998

Section 54.504 (b) (4), which was effective as of January 1, 1999

Section 54.511 (a), as revised, which was originally effective as of July 17, 1997

FCC Order 03-313, paragraphs 39 and 56, which was issued on December 8, 2003

FCC Order 00-167, paragraph 10, which was issued on May 23, 2000

Receipt of Services and Reimbursement Matters:

Section 54.500 (b), which was effective as of July 21, 2003

Section 54.504, which was effective as of July 17, 1997

Section 54.504 (b) (2) (ii), which was effective from February 12, 1998 through October 12, 2004

Section 54.504 (b) (2) (iii), which was effective from July 17, 1997 through October 12, 2004

Section 54.504 (b) (2) (v), which was effective from July 17, 1997 through March 10, 2004

Section 54.504 (b) (2) (v), which was effective as of October 13, 2004

Section 54.504 (c) (1) (vii), which was effective as of October 13, 2004

Section 54.504 (f), which was effective as of March 11, 2004

Section 54.505 (a), which was effective as of July 17, 1997

Section 54.513 (c), which was effective as of March 11, 2004

Section 54.514 (b), as revised, which was originally effective as of July 21, 2003

Section 54.523, which was effective as of March 11, 2004

FCC Order 03-313, paragraph 60, which was issued on December 8, 2003

FCC Order 04-190, paragraph 24, which was issued on August 13, 2004

Schedule of Findings

(presented in accordance with the standards applicable to attestation engagements contained in *Government Auditing Standards*)

Matters Related to Material Non-Compliance

Finding No.	SL2008BE243_F01
Condition	SIATech, Inc. ("Beneficiary") requested and received reimbursement from the Universal Service Administrative Company ("USAC") for eligible basic maintenance services that were filed under an improper category (Internal Connections Other Than Basic Maintenance) on its Federal Communications Commission ("FCC") Form 471 number 522433. The basic maintenance services were included in internal connections Funding Request Number ("FRN") 1480067 along with eligible internal connections equipment.
Criteria	<p>Per FCC Rule 54.504 (b) (1) and 54.504 (c), beneficiaries should request reimbursements from USAC only for eligible goods and services.</p> <p>Further, per FCC's Third Report and Order, Paragraph 21, USAC revised Block 5 of the FCC Form 471 to include a separate category of service for maintenance requests, effective for Funding Year 2005 and thereafter.</p>
Cause	<p>The Beneficiary failed to separate the basic maintenance services from the internal connections on FRN 1480067 due to a misunderstanding of the new criteria for completing FCC Form 471.</p> <p>The lack of controls to ensure that requests of basic maintenance services and internal connections equipment are properly separated on FCC Form 471 represents a deficiency in internal controls over compliance with FCC Rules within the Beneficiary's application process.</p>
Effect	The monetary effect of this finding is that the \$48,006 disbursed under FRN 1480067 during the fiscal year ended June 30, 2008 related to the basic maintenance services is subject to recovery by USAC. These amounts represent the total undiscounted cost of those services of \$53,340 multiplied by the Beneficiary's discount rate of 90%.
Recommendation	KPMG recommends that the Beneficiary implement controls to ensure that future requests of basic maintenance services and internal connections are properly separated on FCC Form 471.
Beneficiary Response	As stated by KPMG, the Beneficiary did submit a request for basic maintenance funding on FRN 1480067. According to the audit finding, this request was incorrectly filed on this FRN due to the cited rule that this funding be submitted on a separate FRN. KPMG further states their opinion that: "The Beneficiary failed to separate the basic maintenance services from the internal connections FRN 1480067 due to a misunderstanding of the correct classification of services."

Schedule of Findings, continued
(presented in accordance with the standards applicable to attestation engagements contained
in *Government Auditing Standards*)

As this finding is reviewed for action by USAC, the Beneficiary would like to add the following information:

1. The maintenance funding requested under FRN 1480067 is an allowable service under Schools and Libraries ("S&L") program rules. Thus, had the request for these funds been made via separate FRN it appears that under program rules, the funds would have been approved by USAC. In this case, with two FRN's, the Beneficiary would have received the same amount of S&L program funding as it received under FRN 1480067. This means that if the maintenance funds provided to the Beneficiary under FRN 1480067 are "recovered" by USAC, the Beneficiary will in essence be penalized for a filing error as opposed to any misuse of S&L program funds.
2. Much of the equipment purchased by the Beneficiary includes first year maintenance at no additional cost. For the equipment purchased under FRN 1480067 first year maintenance is not included and is listed as separate line items on vendor bids. Without considering the implications, the Beneficiary included the cost of all line items in the winning bid when submitting the FRN funding request total.
3. Subsequent to its submission to USAC, the application for funding under FRN 1480067 was evaluated twice in USAC review processes. This FRN was individually reviewed by 1) USAC's Program Integrity Assurance ("PIA") and 2) Selective Review. In both reviews, USAC personnel specifically requested and received copies of the contract for this FRN. This contract provided detail by line item of all the equipment being purchased and associated first-year "Maintenance Services." Neither of these reviews by USAC raised any question about the inclusion of first-year maintenance charges on the contract. Subsequent to these reviews, the FRN was approved for funding by USAC. The Beneficiary relied on this approval by USAC in contracting and paying for the maintenance services included in the FRN. In a further review of the invoice prior to discount reimbursement (in evaluation of the associated Billed Entity Applicant Reimbursement form), USAC again approved the maintenance expense charges included in this FRN.
4. One of the main goals of the S&L program is to subsidize internet connections and access for economically disadvantaged students. The Beneficiary operates public charter high schools that serve as dropout recovery programs in seven California locations. By virtue of our partnership with the Department of Labor funded Job Corps Program, we serve a 100% free and reduced school lunch program student population. Through the benefit of S&L program funding, the Beneficiary has been able to provide technically advanced curriculum

Schedule of Findings, continued
(presented in accordance with the standards applicable to attestation engagements contained
in *Government Auditing Standards*)

and learning opportunities that have proved to be very successful with our students. Any loss of past or future S&L program funding negatively impacts our ability to serve our students.

In summary, the funding received by the Beneficiary under FRN 1480067 was obtained in good faith and was used for purposes supported by the S&L program. The Beneficiary respectfully requests that USAC permit the expenditures and not seek recovery of funds previously authorized and reimbursed under FRN 1480067.

Other Matters Related to Non-Compliance

Finding No.	SL2008BE243_F02
Condition	In considering bids received for internal connection services funded by USAC through FRN 1480067, the Beneficiary used incorrect data in its price comparison matrix which resulted in an incorrect score for the bid received from one of the bidders.
Criteria	Per FCC Rule 54.511 (a), in selecting a provider of eligible services, schools, libraries, library consortia, and consortia shall carefully consider all bids submitted and must select the most cost-effective service offering. In determining which service offering is the most cost-effective, entities may consider relevant factors other than the pre-discount prices submitted by providers, but price should be the primary factor considered.
Cause	A review of the analysis and scoring of the bid was not performed by someone other than the preparer. This lack of review represents a deficiency in internal controls over compliance with FCC Rules within the Beneficiary's service provider selection process.
Effect	There is no monetary effect as a result of this finding as the errors did not change the outcome of the selection of the service provider. However, this control deficiency results in a risk of non-compliance with FCC rules.
Recommendation	KPMG recommends that the Beneficiary implement a review process to ensure that the correct bid data is used to perform bid evaluations and selection of the service provider.
Beneficiary Response	The Beneficiary agrees that there appears to be a data entry error in the price comparison matrix. To prevent a recurrence of this type of error, internal procedures will be altered to require a review/internal audit of all S&L program worksheets, calculations, and filings.

Schedule of Findings, continued
(presented in accordance with the standards applicable to attestation engagements contained
in *Government Auditing Standards*)

Finding No.	SL2008BE243_F03
Condition	Two new Catalyst 3750 Switches purchased by the Beneficiary through FRN 1480067 are stored in a warehouse and have not been used. Additionally, the Beneficiary has no current plans to utilize the equipment.
Criteria	Per FCC Rule 54.504 (b) (2) (v), goods and services that a beneficiary purchases at discounts will be used solely for educational purposes.
Cause	At the time the related FCC Form 471 was submitted to USAC, the Beneficiary occupied an additional classroom provided by the Job Corps Program at its Treasure Island and San Diego campuses. However, these classrooms were taken from the Beneficiary by the Job Corps Program prior to the arrival of the equipment. The equipment was then put into the warehouse as spare parts.
Effect	The monetary effect of this finding is that the \$11,225 disbursed under FRN 1480067 during the fiscal year ended June 30, 2008 for the two switches is subject to recovery by USAC. This amount represents the undiscounted cost of \$12,472, multiplied by the Beneficiary's discount rate of 90%.
Recommendation	The Beneficiary should transfer the equipment to another eligible site to be utilized for educational purposes. In addition, the Beneficiary should notify USAC of such allowable transfers. If the equipment is not needed, the Beneficiary should return the equipment to vendor for a refund and USAC should be reimbursed.
Beneficiary Response	The Beneficiary agrees that the switches in question were not deployed as originally planned. The switches will most likely be installed within the next four months in a new campus that the Beneficiary is now establishing in El Centro, California.

Finding No.	SL2008BE243_F04
Condition	Substituted equipment funded through FRN 1480067 was not at the same or lesser cost than the equipment which had been included on the related FCC Form 471 Attachment 21. Specifically, two Cisco Catalyst 4500 1000W AC Power Supply items with a pre-discounted cost of \$617 each (total cost of \$1,234) were substituted with two Cisco Catalyst 4500 2800W AC Power Supply items with a pre-discounted cost of \$1,237 each (total cost of \$2,474).
Criteria	Per FCC Rule 54.504 (f), for each service substitution: 1. The Administrator shall grant a request by an applicant to substitute a service or product for one identified on its FCC Form 471 where:

Schedule of Findings, continued
(presented in accordance with the standards applicable to attestation engagements contained in *Government Auditing Standards*)

- i. The service or product has the same functionality;
 - ii. The substitution does not violate any contract provisions or state or local procurement laws;
 - iii. The substitution does not result in an increase in the percentage of ineligible services or functions; and
 - iv. The applicant certifies that the requested change is within the scope of the controlling FCC Form 470, including any associated Requests for Proposal, for the original services.
2. In the event that a service substitution results in a change in the pre-discount price for the supported service, support shall be based on the lower of either the pre-discount price of the service for which support was originally requested or the pre-discount price of the new, substituted service.

Cause

The Beneficiary stated that it had knowledge of the service substitution and discussed it with the service provider, but it did not understand the reimbursement amount requested for the service substitution should be based on the lower of either the pre-discount price of the service for which support was originally requested or the pre-discount price of the new, substituted service.

The lack of controls to ensure that amounts requested for reimbursements from USAC for equipment substitutions are in accordance with the FCC rules represents a deficiency in internal controls over compliance with FCC Rules within the Beneficiary's receipt of services and reimbursement process.

Effect

The monetary effect of this finding is that \$1,116 disbursed under FRN 1480067 during the fiscal year ended June 30, 2008 is subject to recovery by USAC. This amount represents the difference of \$1,240 between the pre-discount prices of the original equipment as compared to the substituted equipment, multiplied by the Beneficiary's discount rate of 90%.

Recommendation

KPMG recommends that the Beneficiary implement controls to ensure compliance with the referenced substitution rule in the future.

Beneficiary Response

SIATech agrees with KPMG recommendation to establish policies and procedures to ensure that approval is obtained for service substitutions from USAC prior to requesting reimbursement for such costs.

SIATECH, INC

Audit Number: SL-2008-243

BEN Number: 16020467



KPMG LLP
2001 M Street, NW
Washington, DC 20036

SIATech, Inc.
217 Escondido Ave.
Suite 7
Vista, CA 92084

December 2, 2009

Ladies and Gentlemen:

We have examined SIATech, Inc.'s (Beneficiary Number 16020467) (the "Beneficiary") compliance with the applicable requirements of the Universal Service Fund Schools and Libraries Support Mechanism ("SLSM"), as set forth in 47 C.F.R. Section 54.500 through 54.523 of the Federal Communications Commission's ("FCC") Rules and Regulations, as amended, and related FCC Orders, relative to disbursements of \$785,493 made from the Universal Service Fund during the fiscal year ended June 30, 2008 and relative to its Funding Year 2006 and 2007 applications for funding and service provider selections related to the Funding Request Numbers for which such disbursements were made and have issued our report thereon dated December 2, 2009. In planning and performing our examination, we considered internal control in order to determine our examination procedures for the purpose of expressing our opinion on management's assertions. An examination does not include examining the effectiveness of internal control and does not provide assurance on internal control. We have not considered internal control since the date of our report.

During our examination we noted certain matters involving internal control and matters related to immaterial noncompliance with SLSM requirements that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in improved compliance with SLSM requirements and are summarized as follows:

Comment No.	SL2008BE243_C01
Condition	A Catalyst 3750G Switch (Serial # FOC1111Y4HN), which had been purchased through Funding Request Number (FRN) 1480067 was not included in the Beneficiary's listing of Schools and Libraries (S&L) Program related assets.
Criteria	Per FCC Rule 54.516 (a), schools and libraries shall maintain asset and inventory records of equipment purchased as components of supported internal connections services sufficient to verify the actual location of such equipment for a period of five years after purchase.
Cause	The listing of equipment purchased through the S&L Program was not reconciled with the related invoices.
Effect	There is no monetary effect as a result of this finding as the Beneficiary was able to identify and locate the switch during our examination.



Recommendation	The Beneficiary should implement controls to ensure that the equipment listings are complete through comparisons to related invoices and annual inventory counts.
Beneficiary Response	The Beneficiary agrees that equipment inventory listings need to be complete. To prevent a recurrence of this type of error, internal procedures will be altered to require a review/internal audit of all S&L Program asset tracking and reporting.
Comment No.	SL2008BE243_C02
Condition	The Beneficiary received S&L Program discounted equipment, including switches at its network operations center, and services, including a firewall on its network, which were utilized by eligible locations not specified in Block 4 of FCC Form 471 associated with FRNs 1619254 and 1480067. When the Beneficiary filed FCC Form 471 Nos. 584060 and 522433, it only specified nine eligible locations in Block 4 of the form. However, the Beneficiary received reimbursement for the services and equipment listed above, which were utilized by an additional nine eligible facilities not included on FCC Form 471.
Criteria	<p>Per FCC Rule 54.501 (d) (2), discounts for consortia under this subpart shall apply only to the portion of eligible telecommunications and other supported services used by eligible schools and libraries.</p> <p>Further, the instructions to FCC Form 471 indicate that if an eligible school or administration building is to receive S&L Program funding, it must be individually listed on Block 4 of the FCC Form 471, and if there is a group of entities sharing the requested services, a worksheet listing each location should be completed so that the appropriate discount can be calculated.</p>
Cause	The Beneficiary did not take into account other school locations outside of the State of California that would utilize the equipment and services requested. This exclusion of entities represents a deficiency in internal controls over compliance with FCC Rules within the Beneficiary's application process.
Effect	There is no monetary effect as a result of this finding since the additional schools that received benefits are eligible schools, and inclusion of those schools on the FCC Forms 471 would not have changed the discount percentage received by the Beneficiary.
Recommendation	The Beneficiary should conduct an effective review to ensure that Block 4 of the FCC Form 471 includes each individual location that would receive S&L Program discounted services.
Beneficiary Response	The Beneficiary agrees that all applications for S&L Program funding should include all eligible entities receiving services and will do so for all future filings.



* * * * *

Our examination procedures are designed primarily to enable us to form an opinion on management's assertions about compliance with the applicable requirements of the SLSM, and therefore may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of your organization gained during our work to make comments and suggestions that we hope will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

This report is intended solely for the information and use of SIATech, Inc. management and others within the organization, the Universal Service Administrative Company and the FCC, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP

EXHIBIT P

EXHIBIT P



USAC Management Response

Date: March 10, 2010

Subject: Federal Communications Commission, Office of Inspector General, Universal Service Fund (FCC ~~2010~~ USF) Audit of the Schools & Libraries Program at SIA Tech, Inc.

USAC management has reviewed the FCC OIG USF Audit of the SIA Tech, Inc.. Our response to the audit is as follows:

Finding ID: SL2008BE243_F01

Finding/Comment Narrative:

SIATech, Inc. ("Beneficiary") requested and received reimbursement from the Universal Service Administrative Company ("USAC") for eligible basic maintenance services that were filed under an improper category (Internal Connections Other Than Basic Maintenance) on its Federal Communications Commission ("FCC") Form 471 number 522433. The basic maintenance services were included in internal connections Funding Request Number ("FRN") 1480067 along with eligible internal connections equipment.

Management Comment:

Since the Beneficiary posted for both service categories on its 470 and the services received were eligible, recovery is not warranted. USAC management concurs with the finding and recommendation.

Finding ID: SL2008BE243_F02

Finding/Comment Narrative:

In considering bids received for internal connection services funded by USAC through FRN 1480067, the Beneficiary used incorrect data in its price comparison matrix which resulted in an incorrect score for the bid received from one of the bidders.

Management Comment:

FCC Rule 47 C.F.R. § 54.511(a), as amended by the Commission in its Schools and Libraries Second Order, requires applicants to carefully consider all bids and select the most cost-effective offer, with price being the primary factor. Since the service provider selection was not altered, recovery is not warranted. USAC management concurs with the finding, ~~the finding and recommendation.~~

Finding ID: SL2008BE243_F03

Finding/Comment Narrative:

Two new Catalyst 3750 Switches purchased by the Beneficiary through FRN 1480067 are stored in a warehouse and have not been used. Additionally, the Beneficiary has no current plans to utilize the equipment.

Management Comment:

All equipment purchased with Schools and Libraries Program funds must be installed and be operational to service the site(s) referenced on the FCC Form 471. Applicants violate this Rule when they fail to ensure that they are effectively utilizing the services for educational purposes. Since the equipment was not used for educational purposes, USAC will seek recovery of the \$11,225 disbursed for the uninstalled equipment. USAC management concurs with the finding and recommendation.

Finding ID: SL2008BE243_F04

Finding/Comment Narrative:

Substituted equipment funded through FRN 1480067 was not at the same or lesser cost than the equipment which had been included on the related FCC Form 471 Attachment 21. Specifically, two Cisco Catalyst 4500 1000W AC Power Supply items with a pre-discounted cost of \$617 each (total cost of \$1,234) were substituted with two Cisco Catalyst 4500 2800W AC Power Supply items with a pre-discounted cost of \$1,237 each (total cost of \$2,474).

Management Comment:

Since the substituted equipment resulted in a greater pre-discount price, USAC will seek recovery of \$1,116 for the improperly substituted equipment. USAC management concurs with the finding and recommendation.

Finding ID: SL2008BE243_C01

Finding/Comment Narrative:

A Catalyst 3750G Switch (Serial # FOC1111Y4HN), which had been purchased through Funding Request Number (FRN) 1480067 was not included in the Beneficiary's listing of Schools and Libraries (S&L) Program related assets.

Management Comment:

Pursuant to the FCC's Fifth Report and Order, the Beneficiary must retain asset and inventory records of all equipment purchased with E-rate funds for a period of five years after the last day of service delivered for a particular funding year. USAC management concurs with the comment, effect and recommendation.

Finding ID: SL2008BE243_C02

Finding/Comment Narrative:

The Beneficiary received S&L Program discounted equipment, including switches at its network operations center, and services, including a firewall on its network, which were utilized by eligible locations not specified in Block 4 of FCC Form 471 associated with FRNs 1619254 and 1480067. When the Beneficiary filed FCC Form 471 Nos. 548060 and 522433, it only specified nine eligible locations in Block 4 of the form. However, the Beneficiary received reimbursement for the services and equipment listed above, which were utilized by an additional nine eligible facilities not included on FCC Form 471.

Management Comment:

USAC management concurs with the comment, effect and recommendation.

This concludes the USAC management response to the audit.

EXHIBIT Q

EXHIBIT Q

Halfaker, Tom

From: Gina Espinoza [Gina.Espinoza@trillion.net]
Sent: Thursday, January 19, 2006 8:42 AM
To: Halfaker, Tom
Cc: Range, Angela; Davis, David
Subject: Re: Your form 470
Importance: High
Follow Up Flag: Follow up
Due By: Thursday, January 19, 2006 10:00 AM
Flag Status: Flagged
Tom, Angela, Dave,

I would like to respond to your form 470 – however I don't see that WAN services are listed on you 470. Will you be requiring a quote for WAN services? If so then please file another 470 so that we may respond to your request on your RFP.

FYI- Today is last day to file...

Thank you,

Gina

Gina Espinoza-Price

Regional Sales Manager

Trillion

www.trillion.net

512.334.4100 x 236

619.665.1432 Mobile

Our Values:

- Integrity & Ethics
- Professionalism & Respect
- Customer Driven
- Having Fun!

7/8/2009

Q-1

EXHIBIT R

EXHIBIT R

hold

From: Roger Clague
Sent: Tuesday, January 08, 2008 3:13 PM
To: 'Halfaker, Tom'
Cc: Jennifer Carter
Subject: RE: Forms 470

Tom,

In case we don't connect later today -- I suggest you consider the following small changes to ensure that nothing slips through the cracks regarding getting the ERate process to guarantee funding.

1. Issue new 470's for NewCorp and SIATech with Telco Services (WAN) checked, as per your existing 470s. Reference the existing rfp
2. Issue a WAN addendum/amendments to reference the new 470's in addition to existing 470's
3. Include INet Bandwidth needs in RFP addendum/amendment if you want bids on Internet access as part of this years ERate needs.
4. Do NOT cancel any existing 470's -- keep them all live.

That way any vendors responding will be able to address WAN and INET and reference/connect to an applicable 470. All your bases will be covered.

Then all you have to do is select, confirm contract and file 471's, and you'll be set.

Best

R

From: Halfaker, Tom [mailto:halfakerto@slatech.org]
Sent: Tuesday, January 08, 2008 12:10 PM
To: Roger Clague
Subject: RE: Forms 470

Hi Roger,

EXHIBIT S

EXHIBIT S

STATEMENT OF ECONOMIC INTERESTS

Date Received
Official Use Only

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Please type or print in ink

NAME (LAST)	(FIRST)	(MIDDLE)	DAYTIME TELEPHONE NUMBER
HALFAKER	THOMAS	B	(858) 774-4103
MAILING ADDRESS (May use business address)	STREET	CITY	STATE ZIP CODE
2611 TEMPLE HEIGHTS DR, ST. A, OCEANSIDE, CA 92056			
OPTIONAL: FAX / E-MAIL ADDRESS			

1. Office, Agency, or Court

Name of Office, Agency, or Court:

SIATECH

Division, Board, District, if applicable:

Your Position:

DIRECTOR, INFO SYSTEMS

→ If filling for multiple positions, list additional agency(ies)/ position(s): (Attach a separate sheet if necessary.)

Agency:

Position:

2. Jurisdiction of Office (Check at least one box)

☐ State

☐ County of _____

☐ City of _____

☐ Multi-County _____

☒ Other VISTA UNIFIED SCHOOL DISTRICT

3. Type of Statement (Check at least one box)

☐ Assuming Office/Initial Date: ____/____/____

☒ Annual: The period covered is January 1, 2006, through December 31, 2006.

-or-

☐ The period covered is ____/____/____ through December 31, 2006.

☐ Leaving Office Date Left: ____/____/____ (Check one)

☐ The period covered is January 1, 2006, through the date of leaving office.

-or-

☐ The period covered is ____/____/____ through the date of leaving office.

☐ Candidate

4. Schedule Summary

→ Total number of pages
Including this cover page: _____

→ Check applicable schedules or "No reportable interests."

I have disclosed interests on one or more of the attached schedules:

Schedule A-1 ☒ Yes -- schedule attached
Investments (Less than 10% Ownership)

Schedule A-2 ☐ Yes -- schedule attached
Investments (10% or greater Ownership)

Schedule B ☐ Yes -- schedule attached
Real Property

Schedule C ☐ Yes -- schedule attached
Income, Loans, & Business Positions (Income Other than Gifts and Travel Payments)

Schedule D ☐ Yes -- schedule attached
Income -- Gifts

Schedule E ☐ Yes -- schedule attached
Income -- Travel Payments

-or-

☐ No reportable interests on any schedule

5. Verification

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed

3/23/07
(month, day, year)

Signature

[Signature]
(File the originally signed statement with your filing official.)

SCHEDULE A-1

Investments

Stocks, Bonds, and Other Interests

(Ownership Interest is Less Than 10%)

Do not attach brokerage or financial statements.

CALIFORNIA FORM 700 FAIR POLITICAL PRACTICES COMMISSION Name _____

> NAME OF BUSINESS ENTITY
CISCO

GENERAL DESCRIPTION OF BUSINESS ACTIVITY
DATA COMMUNICATIONS EQUIP

FAIR MARKET VALUE
☐ \$2,000 - \$10,000 ☒ \$10,001 - \$100,000
☐ \$100,001 - \$1,000,000 ☐ Over \$1,000,000

NATURE OF INVESTMENT
☒ Stock
☐ Other _____ (Describe)

IF APPLICABLE, LIST DATE:
 / / 06 / / 06
 ACQUIRED DISPOSED

> NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF BUSINESS ACTIVITY

FAIR MARKET VALUE
☐ \$2,000 - \$10,000 ☐ \$10,001 - \$100,000
☐ \$100,001 - \$1,000,000 ☐ Over \$1,000,000

NATURE OF INVESTMENT
☐ Stock
☐ Other _____ (Describe)

IF APPLICABLE, LIST DATE:
 / / 06 / / 06
 ACQUIRED DISPOSED

> NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF BUSINESS ACTIVITY

FAIR MARKET VALUE
☐ \$2,000 - \$10,000 ☐ \$10,001 - \$100,000
☐ \$100,001 - \$1,000,000 ☐ Over \$1,000,000

NATURE OF INVESTMENT
☐ Stock
☐ Other _____ (Describe)

IF APPLICABLE, LIST DATE:
 / / 06 / / 06
 ACQUIRED DISPOSED

> NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF BUSINESS ACTIVITY

FAIR MARKET VALUE
☐ \$2,000 - \$10,000 ☐ \$10,001 - \$100,000
☐ \$100,001 - \$1,000,000 ☐ Over \$1,000,000

NATURE OF INVESTMENT
☐ Stock
☐ Other _____ (Describe)

IF APPLICABLE, LIST DATE:
 / / 06 / / 06
 ACQUIRED DISPOSED

> NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF BUSINESS ACTIVITY

FAIR MARKET VALUE
☐ \$2,000 - \$10,000 ☐ \$10,001 - \$100,000
☐ \$100,001 - \$1,000,000 ☐ Over \$1,000,000

NATURE OF INVESTMENT
☐ Stock
☐ Other _____ (Describe)

IF APPLICABLE, LIST DATE:
 / / 06 / / 06
 ACQUIRED DISPOSED

> NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF BUSINESS ACTIVITY

FAIR MARKET VALUE
☐ \$2,000 - \$10,000 ☐ \$10,001 - \$100,000
☐ \$100,001 - \$1,000,000 ☐ Over \$1,000,000

NATURE OF INVESTMENT
☐ Stock
☐ Other _____ (Describe)

IF APPLICABLE, LIST DATE:
 / / 06 / / 06
 ACQUIRED DISPOSED

Comments: _____

STATEMENT OF ECONOMIC INTERESTS

Date Received
Official Use Only

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Please type or print in ink.

NAME (LAST)	(FIRST)	(MIDDLE)	DAYTIME TELEPHONE NUMBER	
HALFAKER	THOMAS	B	(858) 774-4103	
MAILING ADDRESS (May use business address)	STREET	CITY	STATE	ZIP CODE
2611 TEMPLE HEIGHTS DR. STE. A	OCEANSIDE	CA	92056	OPTIONAL: FAX / E-MAIL ADDRESS
				halfakerto@siatech.org

1. Office, Agency, or Court

Name of Office, Agency, or Court:

SIATech

Division, Board, District, if applicable:

DESIGNATED EMPLOYEE

Your Position:

DIRECTOR OF INFO. SYSTEMS

➔ If filing for multiple positions, list additional agency(ies)/ position(s): (Attach a separate sheet if necessary.)

Agency:

Position:

2. Jurisdiction of Office (Check at least one box)

☐ State

☐ County of _____

☐ City of _____

☒ Multi-County Los Angeles, San Diego, Santa Clara,

☐ Other San Bernardino, Sacramento, San Francisco

3. Type of Statement (Check at least one box)

☐ Assuming Office/Initial Date: ____/____/____

☒ Annual: The period covered is January 1, 2007, through December 31, 2007.

-or-

☐ The period covered is ____/____/____, through December 31, 2007.

☐ Leaving Office Date Left: ____/____/____ (Check one)

☐ The period covered is January 1, 2007, through the date of leaving office.

-or-

☐ The period covered is ____/____/____, through the date of leaving office.

☐ Candidate

4. Schedule Summary

➔ Total number of pages including this cover page: 1

➔ Check applicable schedules or "No reportable interests."

I have disclosed interests on one or more of the attached schedules:

Schedule A-1 ☐ Yes - schedule attached
Investments (Less than 10% Ownership)

Schedule A-2 ☐ Yes - schedule attached
Investments (10% or greater Ownership)

Schedule B ☐ Yes - schedule attached
Real Property

Schedule C ☐ Yes - schedule attached
Income, Loans, & Business Positions (Income Other than Gifts and Travel Payments)

Schedule D ☐ Yes - schedule attached
Income - Gifts

Schedule E ☐ Yes - schedule attached
Income - Travel Payments

-or-

☒ No reportable interests on any schedule

5. Verification

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed

3/31/08

(month, day, year)

Signature

[Signature]

(File the originally signed statement with your filing official.)

STATEMENT OF ECONOMIC INTERESTS

Date Received
Official Use Only

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Please type or print in ink.

NAME (LAST)	(FIRST)	(MIDDLE)	DAYTIME TELEPHONE NUMBER
Halfaker	Thomas		(760) 945-1227
MAILING ADDRESS (May use business address)	STREET	CITY	STATE ZIP CODE OPTIONAL: FAX / E-MAIL ADDRESS
2611 Temple Heights Dr.	Oceanside	CA	92056 Tom.Halfaker@siatech.org

1. Office, Agency, or Court

Name of Office, Agency, or Court:

SIATech

Division, Board, District, if applicable:

Designated Employee

Your Position:

Director of Info. Technology & Business Development

► If filling for multiple positions, list additional agency(ies)/ position(s): (Attach a separate sheet if necessary.)

Agency:

Position:

2. Jurisdiction of Office (Check at least one box)

☐ State

☐ County of _____

☐ City of _____

☒ Multi-County Los Angeles, San Diego, Santa Clara,

☐ Other San Bernardino, Sacramento, San Francisco

3. Type of Statement (Check at least one box)

☐ Assuming Office/Initial

Date: ____/____/____

☒ Annual: The period covered is January 1, 2008, through December 31, 2008.

-Or-

☐ The period covered is ____/____/____, through December 31, 2008.

☐ Leaving Office

Date Left: ____/____/____

(Check one)

☐ The period covered is January 1, 2008, through the date of leaving office.

-Or-

☐ The period covered is ____/____/____, through the date of leaving office.

☐ Candidate

Election Year: _____

4. Schedule Summary

► Total number of pages including this cover page: _____

► Check applicable schedules or "No reportable interests."

I have disclosed interests on one or more of the attached schedules:

Schedule A-1 ☐ Yes -- schedule attached
Investments (Less than 10% Ownership)

Schedule A-2 ☐ Yes -- schedule attached
Investments (10% or greater Ownership)

Schedule B ☐ Yes -- schedule attached
Real Property

Schedule C ☐ Yes -- schedule attached
Income, Loans, & Business Positions (Income Other than Gifts and Travel Payments)

Schedule D ☐ Yes -- schedule attached
Income -- Gifts

Schedule E ☐ Yes -- schedule attached
Income -- Gifts -- Travel Payments

-Or-

☒ No reportable interests on any schedule

5. Verification

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed 3/9/2008

(month, day, year)

Signature

[Signature]
(File the originally signed statement with your filing official.)

STATEMENT OF ECONOMIC INTERESTS

Date Received
Official Use Only

COVER PAGE

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Please type or print in ink.

NAME (LAST)	(FIRST)	(MIDDLE)	DAYTIME TELEPHONE NUMBER	
Halfaker	Thomas	B	(760) 945-1227	
MAILING ADDRESS STREET (Business Address Acceptable)	CITY	STATE	ZIP CODE	OPTIONAL: E-MAIL ADDRESS
2611 Temple Heights Dr.	Oceanside	CA	92056	Tom.Halfaker@siatech.org

1. Office, Agency, or Court

Name of Office, Agency, or Court:

SIA Tech

Division, Board, District, if applicable:

Designated Employee

Your Position:

Director of Info. Technology & Business Development

► If filing for multiple positions, list additional agency(ies)/ position(s): (Attach a separate sheet if necessary.)

Agency:

Position:

2. Jurisdiction of Office (Check at least one box)

☐ State

☐ County of _____

☐ City of _____

☒ Multi-County Los Angeles, San Diego, Santa Clara,

☐ Other San Bernardino, Sacramento, San Francisco

3. Type of Statement (Check at least one box)

☐ Assuming Office/Initial Date: ____/____/____

☒ Annual: The period covered is January 1, 2009, through December 31, 2009.

-or-

☐ The period covered is ____/____/____, through December 31, 2009.

☐ Leaving Office Date Left: ____/____/____
(Check one)

☐ The period covered is January 1, 2009, through the date of leaving office.

-or-

☐ The period covered is ____/____/____, through the date of leaving office.

☐ Candidate Election Year: _____

4. Schedule Summary

► Total number of pages including this cover page: _____

► Check applicable schedules or "No reportable interests."

I have disclosed interests on one or more of the attached schedules:

Schedule A-1 ☐ Yes - schedule attached
Investments (Less than 10% Ownership)

Schedule A-2 ☐ Yes - schedule attached
Investments (10% or Greater Ownership)

Schedule B ☐ Yes - schedule attached
Real Property

Schedule C ☐ Yes - schedule attached
Income, Loans, & Business Positions (Income Other than Gifts and Travel Payments)

Schedule D ☐ Yes - schedule attached
Income - Gifts

Schedule E ☐ Yes - schedule attached
Income - Gifts - Travel Payments

-or-

☒ No reportable interests on any schedule

5. Verification

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed

3/22/10
(month, day, year)

Signature

Thomas B. Halfaker
(File the originally signed statement with your filing official.)

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BEFORE THE FEDERAL COMMUNICATION COMMISSION
WASHINGTON, D.C. 20554
CC DOCKET NUMBER 02-6

PROOF OF SERVICE

[Electronic Filing]

I am over the age of 18 years and not a party to the action in which this service is made. I have been employed in the County of San Diego in the office of a member of the bar of this court at whose direction the service was made. My business address is 2488 Historic Decatur Road, Suite 200, San Diego, CA 92106.

On December 10, 2010, I served the following document(s):

SIATech, NEWCorp Request For Review Of USAC's Denial of E-Rate Funding; Declaration of Thomas Halfaker in Support Thereof; Notice of Lodgment; Exhibits A thru S; Proof of Service.

☒ **BY Federal Communications Commission's Electronic Comment Filing System (ECFS)** - On the date executed below, I served the foregoing document(s). A confirmation receipt is issued to filing party acknowledging receipt by ECFS and is maintained with this document.

☒ **BY MAIL** I am "readily familiar" with the firm's practice of collection and processing documents for mailing. Under that practice it would be deposited with the U.S. Postal Service on the same day with postage thereon fully prepaid at San Diego, California in the ordinary course of a business day. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing.

Jane Giancamillo, Program Integrity Assurance
USAC Schools and Libraries Division
30 Lanidex Plaza West
PO Box 685
Parsippany, NJ 07054-0685

☒ **BY E-MAIL** I served the above-mentioned documents, by transmitting via email to internet address. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

Kevin R. Bethke, Chief Operation Officer (Kevin.Bethke@trillion.net)
Trillion Partners, Inc.
9208 Waterford Center Blvd., Suite 150
Austin, TX 78758

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on December 10, 2010, at San Diego, California.

/s/ Jade Goulet
Jade Goulet